

**COMMENT MATRIX**  
**PILLAR 3 – MARKET DISCLOSURES**  
**INDUSTRY FEEDBACK AND CENTRAL BANK’S RESPONSES**

SECTION	COMMENT	CBTT RESPONSE
<b>Section 3 - Purpose, Application and Scope</b>		
Section 3.2.1 – Consolidated disclosures	<p>The wording ‘or financial holding company that is the parent company of a banking group’ appears to include financial holding companies that are not Trinidad and Tobago banking group.</p> <p>To avoid any ambiguity, it is being recommended that the sentence be reworded to read ‘On a consolidated basis – to a licensee (bank or non-bank financial institution) or financial holding company that is the parent company of a Trinidad and Tobago banking group, all the disclosure requirements in the Pillar 3 – Disclosure Template (“Disclosures Template”) will apply only at the top consolidated level of the relevant banking group to include all the relevant entities in the group’.</p>	Agreed. The wording will be amended to clarify that the required consolidated is at the level of the Trinidad and Tobago financial holding company (see section 3.3.1).
<b>Section 4 - Disclosure Framework</b>		
Section 4.1 – Disclosure Policy	A standard position on the minimum disclosure requirements should be considered given that disclosure standards vary from one financial institution to the other.	The minimum requirements for a financial institution’s disclosure policy are detailed in sections 3.3 which advises which Tables apply to a financial institution and section 4, which speaks to the Disclosure Policy and principles.
Section 4.1.2 – Proportionality	Section 4.1.2 advises “the disclosure policy of the financial institution should be proportionate to its nature, size, complexity, and risks.” While Section 4.1.2 makes mention of the principle of proportionality, specifically as it	For Pillar 3, the principle of proportionality has been applied whereby: (i) our Pillar 3 standards require 33 Tables out of the 80 Tables in the BCBS Pillar 3 standards;

SECTION	COMMENT	CBTT RESPONSE
	<p>relates to the disclosure policy, sections 4.3.1, 4.3.2 &amp; 4.4.1 specify the form and content of disclosures by reference to the information requirements to complete the Disclosures Template tables. We note that in the case of annual disclosures, all 33 tables in disclosure template are required to be completed. We consider this broad-based application of disclosure requirements as highly onerous, placing undue punitive reporting requirements on all licensees while failing to consider the principle of proportionality as it relates to the entity's nature, size, complexity, and risk profile. We suggest a tiered approach be considered where minimum disclosure requirements are defined and established which are aligned to a licensee's size and the propensity for spillover of systemic risk in the financial system.</p>	<ul style="list-style-type: none"> <li>(ii) standalone NFIs are required to publish only one (1) table of Pillar 3 disclosures on an annual basis;</li> <li>(iii) as per section 3.3.1 the disclosures are only required at the top consolidated level of a banking group as applicable. Only standalone banks will be required to review and complete all 33 Tables as appropriate.</li> <li>(iv) Only the disclosures which are applicable need to be made. For e.g. in the case of derivatives, these disclosures would only be applicable for those institutions which have derivatives exposures. Financial institutions must indicate any areas which are not relevant and why; and</li> <li>(v) The frequency of the disclosures has been considered and will be reduced from quarterly to semi-annually and for most tables from semi-annually to annually.</li> </ul> <p>Though some licensees have a small market share, at this time the Central Bank is of the view that these disclosures may be useful to their depositors and other stakeholders.</p>
<p>Section 4.1.3 (iv) – Meaningful or Relevant Information</p>	<p>"Information likely to attract market attention": To provide greater clarity and ensure consistency in application across institutions, it would be highly beneficial to expound the definition for or provide specific examples of what constitutes "information likely to attract market attention." This would assist institutions in identifying and including relevant and material disclosures, reducing ambiguity.</p>	<p>"Information likely to attract market attention" may include information that is likely to come into the public domain, for example, information on mergers or acquisitions, material changes in business model or strategy, regulatory action or sanctions. Examples have been added to the section.</p>

SECTION	COMMENT	CBTT RESPONSE
Section 4.1.4 – Relevant disclosures	Section 4.1.4 provides that “Financial institutions should decide what constitutes relevant disclosures based on the concept of materiality.” In order to achieve a “level playing field” clearer definition or guidance should be included.	The required disclosures are detailed in the Pillar 3 Disclosures Template. When developing the disclosure policy financial institutions should use their discretion to determine what is relevant to their operations. For example, one of the required qualitative disclosures relates to the origin of any significant differences between accounting and regulatory exposure amounts. If an institution determines that there are no such significant differences, then it would be deemed not relevant and the institution may indicate this within their disclosure document/s. Materiality varies by institution and therefore must be determined by the institution. The Guideline and the Disclosures Template provide guidance on what should be disclosed.
Section 4.1.6 – Audit requirements	<p>This section mandates that Pillar 3 disclosures be subject to the same level of internal review and control processes as financial reporting, implying review and approval by the Audit Committee (AC) and the Board of Directors.</p> <p>a. Quarterly Disclosure Burden: The requirement for quarterly disclosures, coupled with the stringent need for AC and Board approval, will place significant operational pressure on institutions to prepare comprehensive reports, including qualitative narratives, and obtain requisite approvals within the specified timeframes. We urge the CBTT to consider the substantial operational challenges and potential for reporting delays due to the significant reporting requirements.</p>	The Pillar 3 disclosures are subject to the same level of internal review and internal control processes as the information provided in financial reporting because the same level of assurance is required. Section 4.1 requires approval from the Board for the written disclosure <b>policy</b> , which guides the process for the publication of disclosures. While, section 4.1.6 requires that the disclosures be subject to the same level of internal review and control processes as financial reporting, this does not necessitate Board nor Audit Committee approval for the actual disclosures. The assurance is provided via the attestation stipulated in section 4.4.2 which has been amended as follows: “A financial institution must ensure that its Pillar 3 disclosures include an attestation from a member of the Board of Directors or a designated senior officer (e.g. Chief Executive Officer, Chief Financial Officer, Chief Risk Officer) that the disclosures have been prepared in accordance with the board approved internal control process.”

SECTION	COMMENT	CBTT RESPONSE
	<p>b. Group-wide Approval: Where information is presented on a consolidated basis for the group, clarity is needed on whether these consolidated disclosures also require circulation and approval by the Board of Directors of each individual entity within the group (e.g., ABL, AMBBL), similar to the Pillar 2 Internal Capital Adequacy Assessment Process (ICAAP). This clarification is crucial for efficient and effective corporate governance.</p>	<p>Consequently, the Board can delegate this responsibility to a senior officer of the financial institution.</p> <p>Furthermore, note that the Central Bank has also reduced the frequency from quarterly to semi-annually for some tables and for most tables from semi-annually to annually. This will enable market participants to access financial risk information about institutions whilst allowing institutions to better manage their regulatory reporting requirements.</p>
<p>Section 4.2 – Location of Disclosures</p>	<p>While the guidance is clear on the deadlines for submission of these disclosures to the Central bank, the one area that we believe requires clarification is the form of disclosure of the document in the public domain. We suggest that the CBTT consider the uploading of the document to the Bank’s website to be sufficient.</p>	<p>Section 4.2.2 of the Pillar 3 Guideline provides for the disclosures to be placed on the website of the financial institution.</p>
<p>Section 4.2 – Location of Disclosures</p>	<p>Section 4.2.3 of the Guideline requires that “Financial institutions must present their Pillar 3 disclosures in a standalone document which may be appended to, or form a discrete section of, financial statements.”</p> <p>Section 4.4. specifies the form and content of Pillar 3 disclosures as guided by the information requirements to complete the Disclosure Template.</p> <p>There is some ambiguity in discerning what can constitute Pillar 3 disclosures between section 4.2 and sections 4.3 &amp; 4.4 of the Guideline. Will a financial institution (“FI”) be afforded such flexibility to attach separate definitions as to what can constitute Pillar 3 disclosures with distinct interpretations as to the</p>	<p>If the information provided in the notes to the audited financial statements meets the Pillar 3 requirements, then it can be referenced or linked within the Pillar 3 document.</p> <p><b>Pillar 3 disclosure requirements are those specified in the Pillar 3 Disclosures Template.</b> The form and content of disclosures are also specified within the Disclosures Template, whereby some disclosures (quantitative) have a fixed format and other (qualitative) disclosures are flexible meaning that the institution can present the information in whatever format they see fit.</p>

SECTION	COMMENT	CBTT RESPONSE
	<p>form and content of these disclosures for prudential and regulatory reporting purposes?</p> <p>For example, in the absence of a clear definition of Pillar 3 disclosures, a licensee may consider the commentary included in the notes to the audited financial statements related to risk, capital and liquidity exposures as Pillar 3 disclosures that satisfies Section 4.2 requirements while completion of the Disclosure Template would satisfy Sections 4.3 and 4.4 requirements.</p> <p>Further, notes to the audited financial statements related to risk, capital and liquidity exposures are already filed with the CBTT. If deemed to meet the definition of Pillar 3 disclosures, would there still be a requirement to submit separate disclosures to satisfy Pillar 3 requirements? If so, will this not be considered duplicated effort and inefficient?</p>	<p>If the required disclosures can be found within the notes to the audited financial statements, then these may be referenced/linked within the Pillar 3 document/s.</p> <p><b>The Pillar 3 disclosures are intended to be published for the public</b> in a format that will allow comparability across institutions generally. Section 4.2 provides details on where and how financial institutions should make their Pillar 3 disclosures public.</p>
Section 4.2.3 – Form of Disclosures	<p>Section 4.2.3 - Standalone Document vs. Financial Statement Notes: The guideline requires Pillar 3 disclosures to be presented in a standalone document, which may be appended to, or form a discrete section of, financial statements. We strongly propose allowing for the incorporation of these disclosures directly within the Notes to the Audited Financial Statements. This approach offers several significant advantages:</p> <ol style="list-style-type: none"> <li>a. Consistency: It aligns seamlessly with existing accounting practices where many of these items (e.g., risk management policies, market risk exposures, credit risk breakdowns) are already extensively covered in the financial statement notes.</li> </ol>	<p>Based on further research and review, section 4.2.4 has been amended to allow disclosures present in the financial statements to be referenced or linked within the Pillar 3 document. Notwithstanding, Pillar 3 disclosures are regulatory disclosures and not accounting disclosures and must be contained in a standalone document. Section 4.2.3 refers and section 4.3.3 applies.</p>

SECTION	COMMENT	CBTT RESPONSE
	<p>b. Efficiency: It streamlines the reporting process by leveraging existing frameworks, reducing the need for separate documentation and associated administrative burdens.</p> <p>c. Enhanced Audit Scrutiny: Integration into the audited financial statements would naturally subject these disclosures to the same rigorous level of external audit scrutiny, thereby enhancing their credibility, accuracy, and overall assurance for market participants.</p>	
Section 4.2.3 - Form of Disclosures	<p>The requirement for the 16 annual tables to be linked to the audited financial statements, particularly in the context of Section 4.23 (standalone document appended to or forming a discrete section of financial statements), will, in practice, necessitate an expansion of the scope of the external audit. External auditors may be reluctant to sign off on, or provide assurance over, documents appended to or forming a discrete section of the audited financial statements unless these specific documents and their underlying data have been subject to their audit procedures. To ensure compliance, facilitate auditor comfort, and avoid potential reporting delays, it is crucial for the CBTT to acknowledge this implication and provide guidance on how auditors are expected to approach these disclosures, or alternatively, adopt our suggestion to incorporate these disclosures directly into the Notes to the Financial Statements.</p>	See response above and amended section 4.2.4.

SECTION	COMMENT	CBTT RESPONSE
Section 4.3 – Frequency and Timing of Disclosures	<p>We recommend that all Pillar 3 disclosures be made on an annual basis only, concurrent with the publication of the audited financial statements. This modification would offer:</p> <ol style="list-style-type: none"> <li>a. Greater Efficiency: Consolidating disclosures annually significantly reduces the recurring reporting burden on institutions and allows for more thorough preparation and quality control.</li> <li>b. Improved Scrutiny and Consistency: Annual disclosures can be more readily and effectively included within the scope of the external audit. This ensures consistency with the audited financial statements and accompanying notes, providing a higher and more consistent level of assurance to the market.</li> </ol>	<p>The quarterly and semi-annual disclosures pertain to information that is more volatile and sensitive to market conditions and is already reported to the Central Bank either monthly or quarterly. Such information may impact investors or other stakeholders and thus would be necessary on a more frequent basis. Notwithstanding, based on industry feedback and in keeping with the principle of proportionality, the Central Bank will revise the frequency of disclosures as follows:</p> <ul style="list-style-type: none"> <li>- quarterly disclosures will now only be required on a semi-annual basis;</li> <li>- most semi-annual disclosures will now only be required on an annual basis, along with the other annual disclosures.</li> </ul>
Section 4.3.3 – Timing of quarterly and semi-annual disclosures	<p>Section 4.3.3 states “In accordance with section 4.2.3, an institution’s annual Pillar 3 disclosures should be published simultaneously with its audited financial statements for the corresponding period.”</p> <p>Given that the information required for disclosure will be based on the audited financial statements, the timeframe for publishing should be extended. It should not be simultaneously published with the audited financials.</p>	<p>Noted and agreed. Annual Pillar 3 disclosures will be required to be published within 2 months after publication of audited financial statements, i.e. 5 months after the end of the relevant financial year. Semi-annual disclosures are required to be published within 2 months of the half-year periods, i.e. as at the FYE and the mid-year of the financial institution or group.</p>
Section 4.3.3 – Timing of quarterly and semi-annual disclosures	<p>The proposed Guideline did not explicitly state whether the periods for reporting are based on calendar or the financial institution’s fiscal (quarterly, semi-annual and annual basis).</p>	<p>Section 4.3.3 of the Guideline will be re-worded to specify that the reporting periods are based on the financial year-end for each financial institution. Section 4.3.4 is also amended for reporting on semi-annual periods, i.e. using data as at the FYE and the mid-year of the financial</p>

SECTION	COMMENT	CBTT RESPONSE
	It is being recommended that the Guideline clearly states whether the periods (quarterly, semi-annual and annual basis) are based on the financial institution's fiscal year or calendar year.	institution or group. In addition, a Timetable for reporting has been included in the Pillar 3 Disclosures Template for clarity.
Section 4.4.2 – Board attestation	The current wording regarding attestation from "an officer or member of the Board of Directors" needs to be tightened for greater precision and accountability. The roles and responsibilities of an officer (employee) and a director are distinct. We recommend specifying whether the attestation should come from a designated senior officer (e.g., Chief Financial Officer or Chief Risk Officer) with specific oversight of these disclosures, or from a member of the Board. Our earlier comments regarding Section 4.1.6 also apply here, emphasizing the need for clarity on the approval and attestation process.	Section 4.4.2 has been amended to state: "A financial institution must ensure that its Pillar 3 disclosures include an attestation from a member of the Board of Directors or a designated senior officer (e.g. Chief Executive Officer, Chief Financial Officer, Chief Risk Officer) that the disclosures have been prepared in accordance with the board approved internal control process."
<b>Section 5 – Role of the Central Bank</b>		
Section 5.1 – Role of the Central Bank	The section can be expanded to speak to the action of the Central Bank if it is determined that disclosures are insufficient, particularly given that there is no external audit requirement to assess this before publication by institutions.	If the Central Bank determines that a financial institution's disclosures are insufficient, we will determine what appropriate action will be taken on a case by case basis dependent on what aspects are lacking and to what degree.
<b>Section 6 – Effective Date</b>		
Section 6.2	Reporting Material Information Gaps: The guideline stipulates a 3-month timeframe for licensees to advise the Inspector of Financial Institutions of any material information gaps or impediments. Given that institutions will need to implement new systems, develop appropriate internal controls, and allocate significant resources to meet these requirements effectively, we suggest extending this timeframe to within six (6) months from the publication of the	Given the protracted period between industry consultation and implementation, institutions have had sufficient notice of the intended Pillar 3 requirements. As such, the timeline for advising the Inspector of Financial Institutions of any gaps or impediments to adherence of the Guideline will remain at three (3) months (see section 6.3).

SECTION	COMMENT	CBTT RESPONSE
	<p>Notice and the issuance of the Guideline. This provides a more realistic and achievable period for institutions to achieve compliance and effectively close any identified gaps.</p>	
<b>Disclosure Tables</b>		
<p>Appendix 1/Index</p> <p>Table 1 Key Metrics &amp; Table 2 Overview of RWA - Defining "Significant Change/Differences"</p> <p>Table 4 – Liquidity Coverage Ratio</p>	<p>We seek confirmation that the quarterly and semi-annual disclosures will be as at calendar quarters and the annual disclosures will align with our October year-end.</p> <p>Both Table 1 and Table 2 require explanations for "significant change" or "significant differences" in metric values compared with previous periods. To ensure consistent application, comparability, and clear understanding across all financial institutions, we suggest that the CBTT provide a clear definition of what constitutes "significant change" or "significant difference" (e.g., a specific percentage threshold, an absolute value, or a combination of both).</p> <p>The Liquidity Coverage Ratio (LCR) metric has not been fully implemented. This metric is included in the Disclosures Template provided. Please clarify the Central Bank’s expectation of financial institutions when completing the template. We propose that this metric be excluded from the template until implementation of the LCR metric.</p>	<p>Annual and semi-annual disclosures should be aligned to the institution’s financial year-end. Section 4.3.3 of the Guideline will be amended to clarify. Section 4.3.4 will also be amended to provide greater clarity on semi-annual disclosures. In addition, a Timetable for reporting has been included in the Pillar 3 Disclosures Template for clarity.</p> <p>The terms “significant change/significant difference” may vary between institutions. Providing a percentage or value threshold may exclude institutions that should be included and/or include institutions for which such a threshold may not be significant given their business model or other factors. Each institution would be best placed to determine what is “significant” for their operations. As a guide however, a “significant change/difference” should be determined by if it would be described as such to the Board or senior management.</p> <p>Implementation of the LCR occurred on October 1, 2025 while the Pillar 3 disclosure requirement will be implemented in 2026. As such, the LCR disclosure requirements will remain in place.</p>

SECTION	COMMENT	CBTT RESPONSE
<p>Table 5 Overview Risk Management, Table 6 Capital Structure, and Table 22 Liquidity Risk Management</p> <p>Table 33 – Capital Distribution Constraints</p> <p>Table 26 – Credit Risk Mitigation Techniques</p>	<p>For these qualitative tables, we propose that financial institutions be allowed to provide a direct, verifiable link that takes the user to:</p> <ol style="list-style-type: none"> <li>a. The relevant Risk Management, Capital Management, or Liquidity Risk section within the Notes of their most recent Annual Report.</li> <li>b. Alternatively, a link to the institution's publicly available and board – approved Risk Management, Capital Management, or Liquidity Risk policy documents. This approach efficiently leverages existing, regularly updated disclosures and avoids redundant reporting, while still providing the required information to the market.</li> </ol> <p>Please clarify whether capital distribution constraints refer to externally or internally imposed constraints.</p> <p>Our institution’s source system does not currently automatically generate all the details on collateral required for the annual submission table. We have undertaken a project to ensure that these details may now be generated. We anticipate being able to generate the details required in the near future.</p>	<p>This is acceptable. Section 4.2.4 has been amended to stipulate this. However, financial institutions must ensure that the disclosures in the notes are adequate and meet regulatory expectations.</p> <p>The capital constraints refer to those related to the capital conservation buffer (CCB) imposed by the Central Bank.</p> <p>If the capability to produce this information is not ready by the date of Pillar 3 implementation, in accordance with section 6.3 of the Guideline, Institutions must formally advise the Inspector of Financial Institutions of this gap and inform how it will be rectified within a reasonable timeframe.</p>
<b>General</b>		
<p>General</p>	<p>We note overall that the Guideline closely aligns the Basel disclosure standards and proposes a broader scope of implementation that what is currently adopted by regional regulators. Given the potential for institutional readiness from a system perspective, a phased approach to implementation may be necessary. For example, in Jamaica, Pillar 3 disclosures are limited primarily to capital ratios and high-level risk commentary presented with financial statements (link). In this regard, we propose that the Central Bank</p>	<p>The Central Bank has given consideration to a phased approach in implementing the Pillar 3 disclosure requirements. There will be two (2) phases over a 2-year period. Phase 1 will be in the first year, whereby the requirements will commence with the annual disclosures only. In the second year, Phase 2, both the annual and semi-annual disclosures will be required.</p>

SECTION	COMMENT	CBTT RESPONSE
	<p>consider a continued phased implementation plan over the next three (3) years, gradually introducing the quarterly disclosure requirements. This would provide financial institutions and non-financial institutions with sufficient time to build internal capacity for the revised reporting expectations.</p>	<p>This means that in the first year, Phase 1, the disclosures will begin with annual disclosures only followed in the second year by the first round of semi-annual disclosures at the due date (e.g. if first annual disclosures are based on September 2026 FYE, then first semi-annual will be based on the half-year period ended March 2027). At the FYE in the second year, both the annual and semi-annual disclosures will be required. Sections 4.3.4 and 6.1 of the Guideline have been updated to reflect this change. In addition, a Timetable for reporting has been included in the Pillar 3 Disclosures Template for clarity.</p> <p>Section 3.3 details the scope of application where all the disclosures are required either at the top consolidated level of a banking group or for individual banks, which are not part of a banking group.</p> <p>For non-banks, which are not part of a banking group, only 1 table of disclosures (“Key Metrics”) is required annually. Based on the phased introduction, this metric will only be implemented in Phase 2 (second year) for the non-banks.</p>
<p>Proportionality and Disclosure Volume</p>	<p>We appreciate the CBTT's commitment to the proportionality principle as outlined within the Basel framework. We encourage the CBTT to continually ensure that the volume, granularity, and frequency of Pillar 3 disclosures remain commensurate with the size, complexity, and systemic importance of individual financial institutions within the Trinidad and Tobago market. Overly granular or frequent disclosures that are not directly material to market</p>	<p>The Central Bank continues to ensure that proportionality is applied to the implementation of the Basel II/III framework. Avoiding unnecessary regulatory burden is a key consideration for all standards that are implemented.</p>

SECTION	COMMENT	CBTT RESPONSE
	<p>participants could lead to an undue compliance burden without a corresponding increase in market discipline or analytical value.</p>	
<p>Alignment with Other Regulatory Reporting</p>	<p>To minimize the overall reporting burden on financial institutions and maximize efficiency, we suggest that the CBTT thoroughly review the draft Pillar 3 requirements in conjunction with all existing regulatory reporting obligations to identify and eliminate any potential for duplication of data or narrative. A clear mapping between Pillar 3 requirements and existing reports would be highly beneficial for institutions.</p>	<p>The Central Bank aims to avoid duplication of data/information requirements. Institutions should note that while some of the information required for Pillar 3 disclosures are currently received by the Central Bank, <b>the purpose of Pillar 3 disclosures is for the institution to ensure that such information is accessible to the public.</b></p>
<p>Impact on capital market activity</p>	<p>We have reviewed the Draft Pillar 3 Market Disclosures Guideline (“Guideline”) and the accompanying Disclosure Template, which outlines proposed reporting requirements relating to capital adequacy, risk- weighted assets, liquidity management, and credit and market risk exposures. We note that the Guideline is principally oriented towards prudential banking regulation and reflects a technical and specialized approach consistent with Basel standards. We are broadly supportive of initiatives that promote greater transparency and market discipline in the financial sector, and we acknowledge the positive intent underpinning this framework. At the same time, we wish to express a general concern regarding the wholesale adoption of Basel capital standards without a clear understanding of potential spillover effects on capital market activity, given the nature of our financial system. This may include implications for securities issuance, investment flows, and the behavior of market intermediaries. We would welcome the opportunity to engage in further dialogue with the Central Bank on the broader structure and</p>	<p>The Central Bank has considered the potential for spillover effects on capital market activity but holds the view that the market transparency enabled via Pillar 3 will have a net benefit on the financial sector and contribute to financial stability. We have also not instituted several disclosures that we do not consider appropriate to our system and have also applied proportionality to ensure that smaller financial institutions are not unduly burdened. The Basel standards are intended to provide a sufficient buffer against unexpected risk. Given the volatile global and domestic economic and financial markets, we are of the view that the framework has contributed to financial stability. Furthermore, the Basel Pillar 3 disclosures framework has over 80 disclosure tables of which we have selected 33 and in some cases tweaked the tables to make it relevant to our circumstances.</p>

<b>SECTION</b>	<b>COMMENT</b>	<b>CBTT RESPONSE</b>
	balance of the financial system in Trinidad and Tobago, including opportunities for regulatory coordination.	