

September 30, 2026

CIRCULAR LETTER TO:

All Licensees and Financial Holding Companies
under the Financial Institutions Act, 2008
The Bankers Association of Trinidad and Tobago (BATT)
The Trinidad and Tobago Securities and Exchange Commission (TTSEC)

REF: CB-OIFI-3441/2026

**DRAFT NET STABLE FUNDING RATIO CONSULTATION PAPER
AND REPORTING FRAMEWORK**

The Central Bank of Trinidad and Tobago (“Central Bank” / “Bank”) as part of its implementation of the Basel II/III Framework has developed a draft Net Stable Funding Ratio (“NSFR”) Consultation Paper and reporting framework. The implementation of the NSFR is intended to support the liquidity and funding profile of banking institutions.

The NSFR is one of the Basel III liquidity standards put forward by the Basel Committee on Banking Supervision (“BCBS”) to promote longer term resilience by requiring banks to maintain stable funding for a period over one (1) year. Institutions licensed pursuant to the Financial Institutions Act, Chap 79:09 (licensees) and their financial holding companies (FHCs) will be required to maintain a minimum NSFR of 100% calculated as follows:

$$\text{NSFR} = \frac{\text{Available Amount of Stable Funding}}{\text{Required Amount of Stable Funding}}$$

Licensees and FHCs are therefore invited to provide feedback to the Central Bank on the NSFR Consultation Paper which provides guidance on the calculation of the NSFR and establishes rules for the determination of the respective components of the ratio. In addition, the draft reporting template and related instructions for completion are included for your information.

CIRCULAR LETTER TO:
All licensees and Financial Holding Companies
under the Financial Institutions Act, 2008
BATT: TTSEC

REF: CB-OIFI-3441/2026

The draft NSFR Consultation Paper, reporting template and instructions for completion can be accessed on the Bank's website at: <https://www.central-bank.org.tt/resources-database/all-categories/?resources-database=draft-and-consultation-documents-basel-ii-iii-implementation#draft-and-consultation-documents-basel-ii-iii-implementation> and is also attached for your feedback, which should be provided no later than **November 20th, 2026**.

The Central Bank also proposes to convene a meeting of the Technical Working Group to discuss the implementation of the NSFR in early November 2026.

Following receipt of your feedback, the aforementioned documents will be amended as relevant and a Quantitative Impact Study ("QIS") will be conducted over a three-month period (proposed: January to March 2027), using data from 2025 to assess the potential impact of the NSFR requirement and inform any changes to the reporting framework. Specific details on the QIS will be provided to institutions closer to the launch date.

The Central Bank proposes to implement the NSFR requirement in a similar way as was done for the Liquidity Coverage Ratio ("LCR"), i.e. via a combination of Regulations, subject to the negative resolution of Parliament, and supervisory guidelines. It is proposed that the Regulations will specify *inter alia* the mandatory requirements of the NSFR e.g. the minimum NSFR ratio; scope of application; transition periods (if applicable); reporting periods; and supervisory action or penalties for non-compliance with the NSFR. While the operational details of the calculation of the NSFR would be specified in a Guideline. The Central Bank will consult on these draft regulations and guidelines at the appropriate time.

We anticipate your usual cooperation as we progress the rollout of this important prudential standard.

Yours sincerely



Michelle Francis-Pantor
INSPECTOR OF FINANCIAL INSTITUTIONS