



CENTRAL BANK OF
TRINIDAD & TOBAGO

Ewart S. Williams
Governor

CIRCULAR LETTER NO. 04/06

May 8, 2006

To All Banks, Non-Banks and Insurance Companies

Issue of Guideline on Corporate Governance

The Central Bank hereby advises that the Corporate Governance Guideline, which is applicable to institutions licensed under the Financial Institutions Act, 1993, as well as insurance companies and incorporated intermediaries registered under the Insurance Act, Chapter 84:01, has been finalized for issue effective **May 8, 2006**.

The Guideline incorporates existing legislative and regulatory requirements. Additionally, international best practices, the characteristics of the financial sector and comments submitted by the industry have also guided the development of the final document.

The Central Bank expects all licensees and registrants to closely review this Guideline and to be guided by its content when updating, or implementing an appropriate corporate governance framework.

Further, licensees and registrants which do not meet the criteria of two independent directors on their Boards are required to submit a plan of action to the Inspector of Financial Institutions by **July 31, 2006**. The plan should detail the steps to be taken by the institution to reconstitute its Board so that it meets the requirements of the Guideline.

The Guideline has been posted on the Bank's website (www.central-bank.org.tt) and questions may be directed to the Office of the Inspector of Financial Institutions.

We look forward to your usual cooperation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ewart S. Williams'.

Ewart S. Williams