

Public Education Resources

Roles and Functions of the Central Bank



VIDEO TRANSCRIPT

Welcome to the Central Bank of Trinidad and Tobago. Have you ever wondered what the Central Bank does? In today's video we hope to answer this by exploring the main roles and functions we perform.

Central banks are national banks that provide financial and banking services for its country's government and commercial banking system. It also implements the country's monetary policy and issues currency. Founded in 1964, The Central Bank of Trinidad and Tobago, also known as CBTT, works to strengthen the economy and financial system. This means that the Bank works for you!

LET'S TAKE A LOOK ...

Firstly, CBTT is the only institution authorised to issue and redeem Trinidad and Tobago currency. This involves, designing the currency, implementing security features and ensuring there is an adequate supply for your use in day-to-day transactions.

Secondly, we manage inflation through monetary policy. CBTT takes actions to ensure that inflation – the rate of increase in the prices of goods and services – is controlled. This helps to keep the cost of the things you buy stable.

We also keep your money safe, by maintaining financial stability among institutions such as banks and insurance companies. CBTT supervises and regulates these institutions so you can be confident that care is taken with the money you save and invest.

CBTT is also the banker to the Government and the commercial banks and acts as a financial advisor to the Government.

CBTT is also responsible for managing the foreign exchange market. To do this we may intervene in the foreign exchange market to contain volatility in the exchange rate. Interventions typically involve the sale of foreign currency to authorised dealers.

You can learn more about monetary policy and CBTT's other objectives by visiting our website. We look forward to feedback, so please leave comments below on this and any topic you'd like to see us address.