



# Central Bank of Trinidad and Tobago

Eric Williams Plaza, Independence Square, Port-of-Spain, Trinidad, Trinidad and Tobago  
Postal Address: P.O. Box 1250  
Telephone: (868) 621-CBTT (2288), 235-CBTT (2288); Fax: (868) 612-6396  
E-Mail Address: [info@central-bank.org.tt](mailto:info@central-bank.org.tt)  
Website: [www.central-bank.org.tt](http://www.central-bank.org.tt)

---

July 27, 2020

**CIRCULAR LETTER TO:**

All Institutions:

Licensed Under the Financial Institutions Act, 2008  
Registered Under the Insurance Act,  
Registered Under the Exchange Control Act Chap 79:50  
Trinidad and Tobago Unit Trust Corporation  
TTMF, NIB, ADB, HMB, BATT, ATTIC, ICATT  
Caribbean Actuarial Association

**REF: CB-OIFI-1513/2020**

**DRAFT GUIDELINES ON CREDIT RISK MANAGEMENT AND LIQUIDITY RISK MANAGEMENT  
("GUIDELINES")**

The Central Bank of Trinidad and Tobago ('Central Bank'), as regulator of banks and other financial institutions, is responsible for, *inter alia*, maintaining confidence in, and promoting the soundness and stability of, the financial system. Effective management of credit and liquidity risks at financial institutions is critical to maintaining safe and sound financial institutions and by extension stability of the financial system.

Accordingly, the Central Bank has developed draft credit and liquidity risk management guidelines which take into consideration international best practices and legislative requirements. The Guidelines are intended to ensure that financial institutions implement robust credit and liquidity risk management frameworks commensurate with their size, complexity and risk profile.

Both Guidelines detail the roles and responsibilities of the Board and Senior Management with respect to the management of credit and liquidity risks and set out Central Bank's expectations on key elements of sound risk management frameworks for credit and liquidity risks:

The Central Bank is seeking your feedback on the draft Guidelines by **September 14, 2020**. Comments and queries on the Guidelines should be submitted electronically to [GuidelinesComments@central-bank.org.tt](mailto:GuidelinesComments@central-bank.org.tt). The Guidelines are appended but can also be accessed on the Bank's website at <http://www.central-bank.org.tt/core-functions/supervision> under the "drafts and consultation papers" tab of the banking and insurance sectors.

The Central Bank appreciates your usual co-operation and looks forward to your timely feedback.

Yours sincerely

Patrick Solomon

**INSPECTOR OF FINANCIAL INSTITUTIONS**