



Central Bank of Trinidad and Tobago

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February 04, 2021

CIRCULAR LETTER TO:

Licensed Financial Institutions
Financial Holding Companies
Pursuant to the Financial Institutions Act, 2008

COPIED TO:

Bankers Association of Trinidad and Tobago
Institute of Chartered Accountants of Trinidad and Tobago

REF: CB-OIFI-284/2021

**PROCLAMATION OF THE INSURANCE ACT, 2018 (AS AMENDED BY THE INSURANCE
(AMENDED) ACT, 2020)
PROMULGATION OF THE CENTRAL BANK (PAYMENT OF SUPERVISORY FEES AND CHARGES)
(AMENDMENT) REGULATIONS, 2020**

The Insurance Act, 2018 (as amended) (“IA 2018”), save for sections 184 and 185, was proclaimed with effect from January 1, 2021. Further, the Central Bank (Payment of Supervisory Fees and Charges) (Amendment) Regulations, 2020 (“Amendment Regulations”) were promulgated with effect from January 1, 2021.

Accordingly, the Central Bank advises that all licensees and financial holding companies should take note of **Schedule 12 of the IA 2018** which effected consequential amendments to, among other legislation, the following sections of the Financial Institutions Act, 2008 (“FIA”):

- (a) **Sections 2(1) and 80** – provisions were introduced to the FIA to allow for the publication of abridged financial statements by licensees and financial holding companies;
- (b) **Section 2(1)** – the definition of “significant shareholder” was amended to make express reference to both the direct and indirect exercise of voting power;
- (c) **Section 5(3)** – this section was amended to make express reference to the objective of the Central Bank to ensure compliance with anti-money laundering and anti-terrorism legislation;
- (d) **Section 8(2)(a)** – this section was amended to add clarity regarding the power of the Central Bank to disclose information to another regulator for regulatory purposes;

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- (e) **Section 8(2)(c)** – this section was amended to replace the words “designated authority under the Proceeds of Crime Act” with a specific reference to the “Financial Intelligence Unit”;
- (f) **Section 8(3)** – this section was amended to replace the words:
 - i. “designated authority” with a specific reference to the “Financial Intelligence Unit”; and
 - ii. “regulatory authority” with the word “person”;
- (g) **Sections 23(1)(b) and (new) (m)** – these sections were amended to permit revocation of a licence where a licensee fails to comply with:
 - i. obligations imposed on the licensee under laws for the prevention of money laundering or terrorist financing; and
 - ii. any other written law;
- (h) **Section 23(11)** – this section was amended to provide the Central Bank with a discretion regarding the actions it could take after a licence is revoked, in addition to winding up of a licensee;
- (i) **Section 51** – this section was amended to introduce new provisions which permit the Inspector of Financial Institutions (“Inspector”) to prohibit a licensee from offering a new or materially different product or service subsequent to the requirements of section 51(4) being met;
- (j) **Section 62**– this section was amended to introduce new provisions which permit the Inspector to grant a person an extension of time as may be reasonably sufficient to meet a requirement under the FIA where such person is unable to do so because of circumstances beyond his/her/its control;
- (k) **Section 71(2)** – this section was amended to clarify that, where a proposed controlling shareholder is also an acquirer, both a controlling shareholder’s permit and an acquirer’s permit under the FIA would be required;
- (l) **Section 72(2)** – this section was amended to clarify that, where a proposed significant shareholder is also an acquirer, both a significant shareholder’s permit and an acquirer’s permit under the FIA would be required;
- (m) **Section 72(11)** – this section was amended to allow the Central Bank, instead of the Attorney General, to make an application to the Court for the disposal of shares under this section;
- (n) **Section 78** – this section was amended to:
 - i. remove the word “notice” wherever it appears in the section;
 - ii. expressly refer to the power of the Central Bank to request information from an “acquirer” in subsection 1(b); and

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- (o) **Section 119(2)** – this section was amended by changing the limitation period for offences under the FIA to be tried in a Magistrate’s Court from three (3) years or eighteen months after the relevant date to seven (7) years or eighteen months after the relevant date.

In addition, the Amendment Regulations made several changes to the Central Bank (Payment of Supervisory Fees and Charges) Regulations, 2011 (“Regulations”), including the following:

- (a) **regulation 2** – the definition of “assets” was amended to permit the calculation of cost recovery fees based on total assets stated in the last available audited balance sheet, in the case where a regulated person has not filed an audited balance sheet or unaudited balance sheet for the most recent financial year;
- (b) **regulation 3** – this regulation was amended to provide an exemption from the Regulations for –
 - (i) licensees and financial holding companies which are the subject of a winding up order of the High Court;
 - (ii) licensees and financial holding companies which received approval from the Central Bank to commence voluntary winding up; and
 - (iii) privately administered pension fund plans in respect of which notices of the winding up have been received by the Central Bank in accordance with the IA 2018;
- (c) **regulation 11** – this regulation was amended to substitute an incorrect reference to “regulation 9” with “regulation 8”;
- (d) **Part I of Schedule 1** – this Schedule was amended to clarify that the service charges payable for activities of the Central Bank under section 73(1) of the FIA are based on time spent; and
- (e) **Schedule II (application of flat fee to pension plan asset ranges)** – this Schedule was deleted and replaced with a new Schedule.

Licensees and financial holding Companies are advised that the IA 2018, the Insurance (Amendment) Act, 2020 and the Amendment Regulations can be accessed on the Bank’s website at <https://www.central-bank.org.tt/about/legal-framework> .

Please be guided accordingly.

Yours sincerely



Patrick Solomon
Inspector of Financial Institutions