



## Central Bank of Trinidad and Tobago

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March 10, 2021

### **CIRCULAR LETTER TO:**

All Institutions –

Licensed Under the Financial Institutions Act, 2008

Registered Under the Insurance Act, 2018

Registered Under the Exchange Control Act Chap 79:50

Financial Holding Companies

Payments System Operators or Payment services providers pursuant to the FIA or CBA

Bankers Association of Trinidad and Tobago

Association of Trinidad and Tobago Insurance Companies

Institute of Chartered Accountants of Trinidad and Tobago

Insurance Brokers Association of Trinidad and Tobago

Caribbean Actuarial Association

**REF: CB-OIFI-502/2021**

### **REVISED CORPORATE GOVERNANCE GUIDELINE, MARCH 2021**

On June 23, 2020, the Central Bank of Trinidad and Tobago (“Central Bank” / “Bank”) issued a revised draft Corporate Governance Guideline (“Guideline”) to the industry for comment. The Central Bank has considered the feedback received and is pleased to issue the revised final Guideline for your review and implementation.

The Guideline represents an update to the Corporate Governance Guideline, May 2007 and reflects emerging best corporate governance standards or principles as espoused by the Organisation for Economic and Cooperative Development, the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors. These standards pertain to *inter alia*, strengthening a financial institution’s risk governance; promoting a strong risk culture; and establishing the financial institution’s risk appetite, in a manner that is commensurate with its size, complexity and risks.

In this regard, the Central Bank will allow financial institutions a transition period of up to one (1) year to implement new, or update existing policies and procedures, or effect any required organizational changes in order to comply with the Guideline.

Notwithstanding the aforesaid transition period, financial institutions are required to review the Guideline to determine any areas of deficiencies with its contents and institute a board approved action plan to address any identified gaps within six (6) months of the date of issue of the Guideline. The action plan should be made available to the Inspector of Financial Institutions upon request.

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Please note that the Guideline and the matrix of responses to comments received on the Guideline can be accessed on the Bank's website at <https://www.central-bank.org.tt/core-functions/supervision> under the "*Legislation and Guideline*" and the "*Draft and Consultation Papers*" tabs respectively for each industry sector. Should you have any queries please contact Kendall Cuffy, Manager, Banks and Non-Banks Unit at [kcuffy@central-bank.org.tt](mailto:kcuffy@central-bank.org.tt).

Please be guided accordingly.

Yours sincerely,



Patrick Solomon

**INSPECTOR OF FINANCIAL INSTITUTIONS**