



CENTRAL BANK OF TRINIDAD & TOBAGO

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**CIRCULAR LETTER TO:
ALL COMMERCIAL BANKS
LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT, 2008**

REF.: CB-OIFI-3278/2019

Correspondent Banking – Data Request

The Central Bank of Trinidad and Tobago (Central Bank) is cognizant that uncertainty pertaining to correspondent banking relationships (CBRs) remains a concern for our communities, since a decline in CBRs could have adverse consequences on international trade, growth, financial inclusion, and the stability and integrity of the financial system. In this context, in partnership with other local, regional and international stakeholders including the International Monetary Fund (IMF), the Central Bank is actively engaged in dialogue to identify a long-term solution to this issue.

While several initiatives have been launched to collect data on the development of CBRs, there is a further need to collect and analyze bank-by-bank data. Such data is useful to detect unusual flows and patterns and more generally, allow the Central Bank to monitor and analyze trends in the volume and number of CBR transactions, including the network structure of CBR payments in Trinidad and Tobago. Ultimately, the Central Bank would be in a position to implement a framework to systematically monitor CBRs for a comprehensive analysis of cross-border payment flows at the entity and country levels. This framework would assist in developing a tailored policy strategy in collaboration with banks, for maintaining CBRs and minimizing the risk of potential disruption to cross-border flows related to tightened CBR restrictions, which would ultimately add value in strengthening the AML/CFT supervisory regime. Accordingly, the Central Bank in conjunction with the IMF is gathering information on this topic.

Consequently, a questionnaire has been developed, which is to be completed by all commercial banks to provide information on cross-border payments conducted through nostro accounts at their correspondent banks (processed via SWIFT messages). Note that while the requested information pertains to individual transactions, it does not include any identifiable customer information details.

To facilitate the collection of the data for your institution, please find attached an Excel template. The Central Bank would appreciate your cooperation in completing both the “Minimum Scope Template” and “Expanded Scope Template,” (for brief data description, see Annex (Appendix I), and for detailed explanation, see [explanation] tab in the template file and IMF Working Paper 17/216). We would appreciate receiving the data by **February 14, 2020**.

All questions on this request can be directed to Mr. Kendall Cuffy, Manager – Banks and Non-Banks, at 621-2288 ext 5198; email kcuffy@central-bank.org.tt.

The Central Bank looks forward to your submissions.

Yours sincerely,

Patrick Solomon

Inspector of Financial Institutions

Appendix I - Annex.**Minimum Scope and Expanded Scope Framework Templates****1) The Minimum Scope Framework**

This requires aggregated values and volumes of payment transactions per nostro account per reporting period. The required information is: (i) the reporting period; (ii) the identity and country of the reporting bank and its correspondent bank; (iii) the account number of the different nostro accounts provided by the correspondent bank; (iv) the currency in which the nostro accounts are denominated, and (v) aggregated values and volumes of transactions over this account per reporting period.

Please provide quarterly data from 2014 Q1 to 2019 Q4.

2) The Expanded Scope Framework

The data requirements are, basically, the same as the above Minimum Scope Framework, but this expanded framework requires data for individual payments (i.e., transaction by transaction).

Please provide data from January 1, 2018 to December 31, 2019.