



CENTRAL BANK OF
TRINIDAD & TOBAGO

In Summary:

- The Bank successfully completed the final year of execution of its Strategic Plan 2016/17-2020/21. During the period, several unanticipated developments occurred, including the quick pace of digitalisation, depressed external energy prices and domestic energy output, the rapid demonetization of the largest local currency note as part of a national security plan, and the coronavirus pandemic (COVID-19).
- Against the background of low inflation and a sluggish economy, monetary policy remained supportive after the unprecedented reductions of the reserve requirement and Repo rate in March 2020.
- Ongoing improvements to the regulatory framework such as the proclamation of the Insurance Act, 2018 and implementation of capital adequacy regulations helped to bolster the financial sector's resilience to macro-financial shocks.
- The complete new suite of Trinidad and Tobago polymer banknotes was introduced, co-circulating with the earlier notes until the end of 2021.
- The Bank's internal operations have become more organised and streamlined, while public outreach has become more extensive and effective.
- The Bank launched its new 2021/22-2025/26 Strategic Plan, for the first time with a public discussion in July 2021.

MONETARY POLICY

STREAMLINE CURRENCY ISSUE AND BANKING OPERATIONS



Polymer notes in denominations of \$5, \$10 and \$20 introduced in November 2020 and the \$1 and \$50 polymer notes introduced in February 2021



100 Mn new notes issued as at end September 2021



Currency in circulation stood at **\$8.6 Bn** as at end September 2021

MANAGEMENT OF INTERNATIONAL RESERVES



Net Official Reserves stood at **US\$7.1Bn** as at end September 2021



0.19% return on investment

FINANCIAL STABILITY

ADVANCING LEGISLATION AND IMPROVING GOVERNANCE STANDARDS



The new **Insurance Act, 2018** (IA 2018) (except sections 184 and 185) was proclaimed by the President with effect from January 01, 2021

Several Guidelines aimed at strengthening the risk management practices of financial institutions under the Central Bank's regulatory purview and promoting financial inclusion were issued:



An **AML Risk-Based Supervisory Framework** (November 2020)



The **Internal Capital Adequacy Assessment Process (ICAAP) Guideline** (November 2020)



The **Liquidity Risk Guideline** (January 2021)



A **Mergers and Acquisitions Guideline** (July 2021)



The **Simplified Due Diligence (SDD) Guideline** (September 2021)

REGULATIONS TO TREAT WITH THE POTENTIAL IMPACTS OF COVID-19



A new **six-month moratorium** on the regulatory treatment of deferred/ restructured loans offered by commercial banks for May-September 2021

REFORM OF THE NATIONAL PAYMENTS SYSTEM



A draft **Policy Proposal Document** circulated for public consultation in May 2021



Establishment of a joint **Innovation Hub and Regulatory Sandbox** in October 2020



Initial discussions on the feasibility of establishing the **Central Bank Digital Currency (CBDC)**

INTERNAL OPERATIONS



A **building Energy Audit** to guide the Bank's energy reduction initiative was commissioned



20% onsite staff presence maintained during the period mid-August to September 2021



80% of staff provided with technology solutions to operate remotely with secure access to Bank systems

COMMUNITY ENGAGEMENT AND OUTREACH



A market research company engaged to conduct the third wave of the **National Financial Literacy Survey**



OFSO launched its **digital transformation project** in March 2021



Six public webinars were hosted over the period October 2020 to August 2021



The Bank championed a Know Your New Polymer Notes **currency education campaign**