

THE CENTRAL BANK (PAYMENT OF SUPERVISORY
FEES AND CHARGES) REGULATIONS, 2011

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LEGAL NOTICE NO. 170

REPUBLIC OF TRINIDAD AND TOBAGO

THE CENTRAL BANK ACT, CHAP. 79:02

REGULATIONS

MADE BY THE MINISTER OF FINANCE UNDER SECTION 60(6) OF THE
CENTRAL BANK ACT

THE CENTRAL BANK (PAYMENT OF SUPERVISORY FEES
AND CHARGES) REGULATIONS, 2011

1. These Regulations may be cited as the Central Bank (Payment of
Supervisory Fees and Charges) Regulations, 2011. Citation

2. In these Regulations—

Interpretation

“assets” means the amount shown as total assets in the audited or unaudited balance sheet of a regulated person for its last financial year-end provided that an unaudited balance sheet shall only be used when an audited balance sheet for that financial year-end is not available;

“banking sector” means all licensed financial institutions, financial holding companies and for the purposes of these Regulations, includes the Home Mortgage Bank;

“Central Bank” means the Central Bank of Trinidad and Tobago established under the Central Bank Act;

Chap. 79:02

“financial holding company” has the meaning assigned to it under the Financial Institutions Act, 2008;

“financial year” means each period not exceeding twelve calendar months designated by a regulated person as the time period for preparing financial reports, balance sheets and income statements;

“fiscal year” means the fiscal year of the Central Bank which represents the twelve-month period between 1st October in any given year to 30th September in the succeeding year;

“foreign regulated subsidiary” means a subsidiary that is located outside of Trinidad and Tobago and is regulated by any regulatory or supervisory agency or body;

“Home Mortgage Bank” means the Home Mortgage Bank established under the Home Mortgage Bank Act;

Chap. 79:08

“Inspector” means the Inspector of Financial Institutions appointed under the Financial Institutions Act, 2008;

Chap. 84:01

“insurance intermediary” means a person registered or applying to be registered as an agent, broker, salesman or adjuster under the Insurance Act;

“insurance sector” for the purposes of these Regulations, means all registered insurance companies;

“licensed financial institution” means a financial institution licensed under the Financial Institutions Act, 2008;

“OFSO” means the Office of the Financial Services Ombudsman established by agreement between the Central Bank and other banks and insurance companies regulated by the Central Bank;

“pension fund plan” means any pension fund plan registered under the Insurance Act;

“pensions sector” means all pension fund plans;

“prospective entrant” refers to any person, institution, pension fund plan that has applied to be licensed, registered, permitted or otherwise regulated by the Central Bank under the Central Bank Act, the Financial Institutions Act, 2008, the Insurance Act or any other written law;

“registered insurance company” means a company registered under the Insurance Act;

“regulated person” refers to any person, institution, pension fund plan that is regulated by the Central Bank under the Central Bank Act, the Financial Institutions Act, 2008, the Insurance Act, the Home Mortgage Bank Act or any other written law;

“regulated sector” refers to any grouping or sub-grouping of regulated persons according to the nature of business conducted by such persons, such as the banking, insurance, and pension sectors and any other sector regulated by the Central Bank;

“supervisory costs” means the total amount of direct and indirect budgeted costs and expenses to be incurred by the Central Bank in respect of its supervision and regulation of all regulated persons for the following fiscal year;

“supervisory fee” means the portion of the supervisory costs allocated to a regulated person and payable annually;

“year” means calendar year except where otherwise specified.

Application of
Regulations

3. These Regulations shall apply to all regulated persons and prospective entrants in the manner set out herein.

4. The service charges set out in Schedule I shall be paid by a regulated person or prospective entrant in respect of any service or activity provided by the Central Bank or the Inspector of Financial Institutions under the provisions of the Central Bank Act, the Financial Institutions Act, 2008, the Insurance Act, or any other written law.

Service
Charges
Schedule I

5. The Central Bank shall, on or before the 30th day of September in each year, make a determination of its supervisory costs.

Date for
determining
supervisory
costs

6. (1) The Central Bank shall apportion the supervisory costs for the banking and insurance sectors on the basis of the time determined by the Central Bank to have been spent during the previous fiscal year in supervising and regulating the banking and insurance sectors in aggregate.

Apportioning
supervisory
costs

(2) The apportionment referred to in subregulation (1) shall be further apportioned to each of the banking sector and the insurance sector based on the ratio of assets of each such sector to the total assets of the banking and insurance sectors in aggregate.

7. The supervisory costs apportioned to a regulated sector shall be allocated to each regulated person in that sector in the manner set out in regulations 8 to 12 and each such allocation shall represent the supervisory fee payable by that regulated person to the Central Bank.

Supervisory
fees

8. A regulated person, other than a pension fund plan and an insurance intermediary, shall pay a supervisory fee which shall be the greater of the amounts, as is provided for in paragraph (a) or (b) hereunder—

Calculation of
fees

(a) the sum derived from dividing the total assets of the regulated person (excluding a pension fund plan and an insurance intermediary) by the total assets of the relevant regulated sector and multiplying the resulting figure by the supervisory costs apportioned to the relevant regulated sector, as illustrated hereunder:

$$\frac{\text{Total assets of regulated person}}{\text{Total assets of regulated sector}} \times \text{supervisory costs apportioned to regulated sector}$$

(b) fifty thousand dollars (\$50,000.00) in the case of a registered insurance company or one hundred thousand dollars (\$100,000.00) in the case of a licensed financial institution, a financial holding company and the Home Mortgage Bank.

9. For the purposes of regulation 8, the total assets of a regulated sector shall be the aggregate of the assets of all regulated persons in that sector.

Total assets
to be
aggregate
assets

| | |
|---|---|
| Exclusion of assets | <p>10. For the purposes of regulation 8, the total assets of—</p> <p style="margin-left: 40px;">(a) a financial holding company shall—</p> <p style="margin-left: 80px;">(i) exclude fifty per cent (50%) of the assets of all foreign regulated subsidiaries; and</p> <p style="margin-left: 80px;">(ii) exclude the assets for the entities in the group regulated by the Central Bank; and</p> <p style="margin-left: 40px;">(b) a licensed financial institution or registered insurance company that is also a holding company shall—</p> <p style="margin-left: 80px;">(i) exclude fifty per cent (50%) of the assets of all foreign regulated subsidiaries; and</p> <p style="margin-left: 80px;">(ii) exclude the assets for the entities in the group regulated by the Central Bank.</p> |
| Total assets based on a two-year average | <p>11. The supervisory fee payable by a regulated person in operation for one year or less shall be calculated in accordance with regulation 9 save that the total assets of that regulated person shall be based on a projected two-year average of the total assets of that regulated person as provided to the Central Bank.</p> |
| Difference between supervisory fees and licence fees | <p>12. Where the supervisory fee is determined to be more than any annual licence fee, inclusive of annual branch licence fees payable under the Financial Institutions Act, or any annual registration fee payable under the Insurance Act by a regulated person, the regulated person shall only be liable to pay as the supervisory fee, the difference between the licence or registration fee and the supervisory fee.</p> |
| Flat supervisory fee for pension fund plans Schedule II | <p>13. The supervisory fee specified in the Table in Schedule II shall be paid by a pension fund plan and is based on the total assets of the pension fund plan and the corresponding asset range within which the plan falls in the said Table.</p> |
| Billing procedure | <p>14. On or before 31st December of each fiscal year, the Central Bank shall issue to each regulated person a written notice setting out the supervisory fee and licence or registration fees, as well as the regulated person's OFSO costs, payable by the regulated person in respect of that year.</p> |
| Time frame for payments by instalments | <p>15. The fees and costs set out in the notice referred to in regulation 14 shall be paid in two instalments as follows:</p> <p style="margin-left: 40px;">(a) the first instalment shall be paid by 31st January of each year and shall comprise—</p> <p style="margin-left: 80px;">(i) one hundred per cent (100%) of licence or registration fees;</p> |

- (ii) fifty per cent (50%) of supervisory fees in excess of licence or registration fees; and
 - (iii) fifty per cent (50%) of the regulated person's OFSO costs; and
- (b) the second instalment shall be paid by 30th June of each year and shall comprise—
- (i) the remaining fifty per cent (50%) of supervisory fees in excess of licence or registration fees; and
 - (ii) the remaining fifty per cent (50%) of the regulated person's OFSO costs.

16. Notwithstanding regulations 14 and 15, the Central Bank shall ^{First} within three months of the coming into effect of these Regulations, issue ^{payment} to each regulated person a written notice setting out the supervisory fee payable in respect of the fiscal year ending 30th September, 2012, and if applicable, the license or registration fee and OFSO costs to be paid by a regulated person in respect of that financial year and the said notice shall stipulate the time frame within which such fees and costs shall be paid to the Central Bank.

17. A licensed financial institution may authorize the Central Bank ^{Deductions} to deduct any supervisory fees payable by that institution under these ^{from Reserve} Regulations from monies in its Reserve Account ^{Account} held at the Central Bank pursuant to section 57 of the Financial Institutions Act, 2008.

18. Any fees and costs as set out in the notices referred to in ^{Unpaid fees} regulations 14 and 16 which are not paid within the time stipulated in ^{to be} the notices shall be subject to a charge at a rate equivalent to the ^{recovered as} prevailing Central Bank repo rate and shall be recoverable as a civil ^{civil debt} debt payable to the Central Bank in addition to or in lieu of any action the Central Bank may take under any written law.

19. The supervisory costs to be apportioned in accordance with ^{Supervisory} regulations 5 to 12 shall be applied on a phased basis as follows: ^{costs to be}

- (a) in respect of the first year, the Central Bank shall apportion ^{introduced on} sixty per cent (60%) of the supervisory costs; ^{a phased}
- (b) in the second year, the Central Bank shall apportion ^{basis} seventy per cent (70%) of the supervisory costs;
- (c) in the third year, the Central Bank shall apportion eighty per cent (80%) of the supervisory costs; and
- (d) in respect of the fourth year and continuing thereafter, the Central Bank shall apportion one hundred per cent (100%) of the supervisory costs.

Payments
from pension
funds

20. The supervisory fee payable by a pension fund plan under regulation 13 shall be applied on a phased basis as follows:

- (a) in respect of the first year, the Central Bank shall apply sixty per cent (60%) of the applicable supervisory fee specified in the Table in Schedule II for the relevant asset range;
- (b) in respect of the second year, the Central Bank shall apply seventy per cent (70%) of the applicable supervisory fee specified in the Table in Schedule II for the relevant asset range;
- (c) in respect of the third year, the Central Bank shall apply eighty per cent (80%) of the applicable supervisory fee specified in the Table in Schedule II for the relevant asset range; and
- (d) in respect of the fourth year and continuing thereafter, the Central Bank shall apportion one hundred per cent (100%) of the supervisory fee.

SCHEDULE I

SCHEDULE OF SERVICE CHARGES PAYABLE UNDER THE FEE FOR SERVICE COMPONENT

PART I

Service Charges for Institutions under the Financial Institutions Act, 2008

| | |
|---|----------|
| Section 4(2)—Approval for a person, other than a bank, to carry on any business under any name or title of which the word “Bank” or any variation of the word forms part | \$5,000 |
| Section 16(3)—Application by a licensee to carry on the business of banking | \$10,000 |
| Section 17(3)—Application by a licensee to carry on the business of a financial nature of any of the classes specified in the First Schedule | \$10,000 |
| Section 17(4)—Application for persons other than licensees to issue electronic money | \$10,000 |
| Section 18(1)—Application by a foreign financial institution to carry on banking business or business of a financial nature in Trinidad and Tobago, through a single branch | \$10,000 |
| Section 21(7)—Application to vary a type and class of business for which the licensee is licensed or to carry on a new type and class of business | \$5,000 |

| DESCRIPTION | FEE |
|--|----------|
| Section 41(3)(f)—Application to establish a subsidiary for the provision of necessary services in support of the activities of the group | \$5,000 |
| Section 46(1)—Application by a licensee to— | \$5,000 |
| (a) directly or indirectly establish or acquire a subsidiary in or outside of Trinidad and Tobago; or | |
| (b) enter into an agreement for sale or other transfer of— | |
| (i) a subsidiary of the licensee; or | |
| (ii) a controlling or significant interest of the licensee in a financial entity | |
| Section 46(2)—Application by a licensee to— | \$5,000 |
| (a) enter into an agreement for sale or other transfer of ten per cent or more of the assets of— | |
| (i) the licensee; | |
| (ii) a subsidiary of the licensee; or | |
| (iii) a company or unincorporated body in which the licensee has a controlling or significant interest; or | |
| (b) undertake any other restructuring that would result in a reduction in the capital of the licensee | |
| Section 50(3)—Application by a licensee to— | \$10,000 |
| (a) establish, acquire or open a branch or representative office outside Trinidad and Tobago; or | |
| (b) close or relocate a branch outside Trinidad and Tobago | |
| Section 50(5)—Application for a foreign financial institution to— | \$10,000 |
| (a) establish, acquire or open a representative office or an additional branch in Trinidad and Tobago; | |
| (b) close or relocate a branch in Trinidad and Tobago; or | |
| (c) close or relocate a representative office in Trinidad and Tobago | |
| Section 51(1)—Notification of a new product or service | \$1,000 |
| Section 66(1)—Application to commence a voluntary winding-up | \$5,000 |
| Section 70(1)—Application for a permit to establish a financial holding company | \$10,000 |
| Section 71(1)—Application for a controlling shareholder permit | \$5,000 |
| Section 72(1)—Application to become a significant shareholder | \$5,000 |

*Central Bank (Payment of Supervisory Fees and Charges)
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| DESCRIPTION | FEE |
|---|---|
| Section 73(1)—Application by a licensee or financial holding company of a licensee to merge with another company | Actual time spent by personnel x (average hourly salary + benefits of pesonnel) |
| Section 74(1)—Application for a permit for a financial entity or a significant or controlling shareholder of a financial entity to become an acquirer of a licensee or of the financial holding company of a licensee | \$10,000 |

PART II

**Service Charges for Institutions under the Insurance
Act, Chap. 84:01**

| DESCRIPTION | FEE |
|---|---|
| Section 12(1)(c)—Application by an insurer for the approval of the Central Bank to carry on insurance business outside of Trinidad and Tobago | \$10,000 |
| Section 14(1)—Application by a company to the Central Bank for a registration under this Act to carry on insurance business | \$10,000 |
| Section 20(1)—Notification to become a Controller of an insurance company | \$10,000 |
| Section 23—Notification of amendment to any particulars specified in the company's application for registration | \$1,000 |
| Section 24(1)—Notification of issue of a new form of policy, standard form of endorsement or form of application | \$2,500 |
| Section 25(1)—Notification of cancellation of registration for a company | \$7,500 |
| Section 39(1)—Application to create a trust deed relating to assets placed in trust for statutory fund purposes | \$1,000 |
| Section 84(1)—Application for the confirmation of a scheme made by or on behalf of any company engaged in the transfer or amalgamation with another company | Actual time spent by personnel x (average hourly salary + benefits of pesonnel) |
| Section 86(3)—All expenses incurred by the Central Bank in obtaining the report of any actuary on the scheme shall be defrayed by the companies engaged in the transfer or amalgamation, and any sum due in respect of those expenses may be recovered summarily as a civil debt by the Bank from the companies either jointly or severally | All expenses incurred by the Bank |
| Section 89(1)—Application to be registered as a Salesman | \$100 |

| DESCRIPTION | FEE |
|---|--|
| Section 89(1)—Application to be registered as an Agent (Individual) | \$500 |
| Section 89(1)—Application to be registered as an Agent (Corporate Bodies or Partnership) | \$1,000 |
| Section 89(1)—Application to be registered as a Broker (individual and Corporate Bodies or Partnership) | \$2,500 |
| Section 89(1)—Application to be registered as an Adjuster (individual and Corporate Bodies or Partnership) | \$2,500 |
| Section 95(c)—Application for cancellation of registration for Salesman or Agent | \$100 |
| Section 95(c)—Application for cancellation of registration for Broker or Adjuster | \$500 |
| Section 108(3)—Application by an agent to act on behalf of more than one insurer in respect of different classes of business | \$1,000 |
| Section 119—Application to issue a standard form of proposal or policy | \$2,500 |
| Section 135—Application to suspend or vary the obligation of the company to pay surrender values | \$1,000 |
| Section 155—Application for the approval to establish and implement a plan | \$10,000 |
| Section 160—All expenses incurred by the Central Bank in connection with an application for approval to establish and implement a plan shall be defrayed by the company, and any sum due in respect of those expenses may be recovered from the company by the Bank summarily as a civil debt | Actual time spent by personnel x (average hourly salary + benefits of personnel) + third party costs |
| Section 176(1)—Application for the registration of a Pension Fund Plan | \$50 |
| Section 176(5)—Application for an amendment or for the correction of the register in respect of a change | \$10 |
| Section 188(3)—Application to be registered as an association of underwriters | \$10,000 |
| Section 196(1)—Approval to publish a prospectus, notice, circular, or other invitation offering to the public for subscription any shares in a company or proposed company | \$500 |

*Central Bank (Payment of Supervisory Fees and Charges)
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SCHEDULE II—CONTINUED

APPLICATION OF FLAT FEE TO PENSION PLAN ASSET
RANGES

| RANGE | FLAT FEE |
|---------------------------------|-----------|
| Less than \$2,500,000 | \$5,000 |
| \$2,500,000–\$10,000,000 | \$7,500 |
| \$10,000,000–\$25,000,000 | \$10,000 |
| \$25,000,000–\$50,000,000 | \$15,000 |
| \$50,000,000–\$100,000,000 | \$20,000 |
| \$100,000,000–\$250,000,000 | \$25,000 |
| \$250,000,000–\$500,000,000 | \$30,000 |
| \$500,000,000–\$1,000,000,000 | \$45,000 |
| \$1,000,000,000–\$1,500,000,000 | \$60,000 |
| \$1,500,000,000–\$2,500,000,000 | \$75,000 |
| \$2,500,000,000–\$3,500,000,000 | \$100,000 |
| \$3,500,000,000—and above | \$150,000 |

Dated this 12th day of August, 2011.

W. DOOKERAN
Minister of Finance