

LEGAL NOTICE NO. 132

REPUBLIC OF TRINIDAD AND TOBAGO

THE FINANCIAL INSTITUTIONS ACT, 1993

CASH RESERVE BALANCE

NOTICE is hereby given to licensees in accordance with the provisions of section 25 of the Financial Institutions Act, 1993, that with effect from Wednesday, 15th April, 1998—

- (a) the following are to be included in the definition of prescribed liabilities:
  - (i) Total demand, savings and time deposits denominated in local currency;
  - (ii) All short-term credit instruments placed with the reporting institution on a wholesale basis with a maturity of one day up to and including one year, including commercial paper, negotiable certificates of deposit and repurchase agreements;
  - (iii) All fund raising instruments maturing either within or beyond one year of the reporting date, including mortgage pass through certificates, floating-rate tax-free debentures, investment note certificates and secured commercial paper;
- (b) the Cash Reserve Balance which companies licensed to carry on the business of banking shall hold and maintain as a reserve account with the Central Bank of Trinidad and Tobago shall be twenty-one per cent of the prescribed liabilities;
- (c) the Cash Reserve Balance which companies licensed to carry on business of a financial nature shall hold and maintain as a reserve account with the Central Bank of Trinidad and Tobago shall be maintained at nine per cent of the prescribed liabilities; and
- (d) the interest rate charged for failure to maintain the balance in the Reserve Account shall be one-thirtieth of one per cent per day of any deficiency. For deficiencies extending beyond one week, interest will be charged at double the rate.

Dated this 15th day of April, 1998.

A. CHANG FONG  
*Deputy Governor*