

CBTT ‘stands ready’ to regulate credit unions, says Inspector



Inspector of Financial Institutions (Ag) at the Central Bank of Trinidad and Tobago, Michelle Francis-Pantor. PHOTO COURTESY OFFICE OF THE PARLIAMENT

Legislation to regulate credit unions and other financial bodies is currently too weak.

This was the view shared by Inspector of Financial Institutions for the Central Bank, Michelle Francis-Pantor, during a Joint Select Committee on Finance and Legal Affairs on Friday. The JSC served as an “Inquiry into the supervisory and prudential oversight of credit unions in Trinidad and Tobago.”

Francis-Pantor said while the Central Bank is not currently the regulatory body for credit unions, the regulatory legislation overseeing these institutions needs to be improved.

She said, “My viewpoint is, at this point in time, if it is Central Bank, we

stand ready. If it is as an independent regulator, we stand ready. But the main issue is that the legislative framework for the sector needs strengthening. There are a lot of gaps in the regulatory framework and we do need to strengthen that for an effective regulator, whether it is the Central Bank or whether it is an independent regulator or whether it is the Commissioner of Cooperative development.”

Nyree Brathwaite, the Central Bank’s assistant manager for banks and non-banks also noted that there had been push back from credit unions in previous discussions concerning regulations.

“There has always been friction with certain factions of the sector and, as much as over the years we have compromised,” she said.

“When we were doing the 2014 bill, one of the most contentious issues was the governance provisions. Because that has been one of the areas that has posed a big risk to the sector. We saw an entrenchment at the board level, there was no fit and proper criteria and as much as we understand it is a democratic process and it’s member driven, at the end of the day the credit union is responsible for members’ funds, handling it properly.”

She said the bank had hoped that while leaders of these institutions may not require the financial education level of other institutions, it was necessary to have a certain level to ensure that financial statements can be adequately monitored.

—Peter Christopher