



5th Report

JOINT SELECT COMMITTEE ON

FINANCE AND LEGAL AFFAIRS

on an

inquiry into the implementation of a regulatory framework for the development of financial technology (Fintech) and e-payments

THIRD SESSION (2022/2023) OF THE 12TH PARLIAMENT

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The Joint Select Committee on Finance and Legal Affairs

Contact the Committee's Secretariat

Telephone: 624-7275 Extensions 2277/2284/2283, **Fax:** 625-4672

Email: jscfla@ttparliament.org

5th REPORT

OF THE

JOINT SELECT COMMITTEE ON
FINANCE AND LEGAL AFFAIRS

ON

AN INQUIRY INTO THE IMPLEMENTATION OF A
REGULATORY FRAMEWORK FOR THE
DEVELOPMENT OF FINANCIAL TECHNOLOGY
(FINTECH) AND E-PAYMENTS

Date Laid: HoR: 24/03/2023

Senate: 28/03/2023

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ACRONYMS AND ABBREVIATIONS

Abbreviation	Term
CARTAC	Caribbean Regional Technical Assistance Centre
CSO	Central Statistical Office
CSSP	Continuous Sample Survey of Population
e-GDDS	Enhanced General Data Dissemination System
IADB	Inter-American Development Bank
ILO	International Labour Organisation
MPD	Export Import Bank of Trinidad and Tobago
NSIB	National Statistical Institute Bill
NSITT	National Statistical Institute of Trinidad and Tobago
NSO	National Statistical Organisation
NSS	National Statistical Units
ODIN	Open Data Inventory
RPI	Retail Price Index

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MEMBERS OF THE COMMITTEE



Mrs. Hazel Thompson-Ahye
Chairman



Mr. Marvin Gonzales, MP
Vice Chairman



Mr. Keith Scotland, MP



Ms. Jayanti Lutchmedial



Mr. Laurence Hislop



Mr. Saddam Hosein, MP



Mr. Terrence Deyalsingh, MP



Mr. Hassel Bacchus

THE COMMITTEE

COMMITTEE MANDATE AND ESTABLISHMENT

1. Section 66A of the Constitution of the Republic of Trinidad and Tobago declares, that not later than three months after the first meeting of the House of Representatives, the Parliament shall appoint Joint Select Committees to inquire into and report to both Houses in respect of Government Ministries, Municipal Corporations, Statutory Authorities, State Enterprises and Service Commissions, in relation to their administration, the manner of exercise of their powers, their methods of functioning and any criteria adopted by them in the exercise of their powers and functions.
2. Pursuant to the foregoing provision, motions approved in the House of Representatives and Senate on November 20, 2020 and November 17, 2020, respectively, the **Joint Select Committee on Finance and Legal Affairs** was established.
3. Standing Order 91 of the Senate and 101 of the House of Representatives outline the general functions of a Committee of this nature. They are as follows:
 - a. to examine Bills and review all legislation relating to the relevant Ministries, Departments or Bodies or as may be referred to it by the House;
 - b. to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration and operations of the assigned Ministries, Departments or Bodies;
 - c. to study the programme and policy objectives of Ministries, departments or bodies and the effectiveness of the implementation;
 - d. to assess and monitor the performance of Ministries, Departments and Bodies and the manner of the exercise of their powers;
 - e. to investigate and inquire into all matters relating to the assigned Ministries, Departments and Bodies as they may deem necessary, or as may be referred to them by the House or a Minister; and

- f. to make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.

SPECIFIC AREAS OF RESPONSIBILITY

4. The Joint Select Committee on Finance and Legal Affairs is mandated to inquire into areas related to Finance, Planning, Trade, Tobago Affairs, Office of the Prime Minister, Attorney General, Justice and Legal Affairs as listed in Appendix IV and V of the Standing Orders of the House of Representatives and Senate respectively.

POWERS OF THE COMMITTEE

5. Standing Orders 101 of the Senate and 111 of the House of Representatives delineate the general powers of the Committee which include:
 - a. to send for persons, papers and records;
 - b. to sit notwithstanding any adjournment of the House;
 - c. to adjourn from place to place;
 - d. to report from time to time;
 - e. to appoint specialist advisers either to supply information which is not otherwise readily available, or to elucidate matters of complexity within the Committee's order of reference;
 - f. to communicate with any other Committee on matters of common interest; and;
 - g. to meet concurrently with any other Committee for the purpose of deliberating, taking evidence or considering draft reports.

MEMBERSHIP

6. The Committee comprises the following members:
 - i. Mrs. Hazel Thompson-Ahye – Chairman
 - ii. Mr. Marvin Gonzales, MP – Vice-Chairman
 - iii. Mr. Keith Scotland, MP
 - iv. Mr. Saddam Hosein, MP
 - v. Mr. Terrence Deyalsingh, MP
 - vi. Ms. Jayanti Lutchmedial
 - vii. Mr. Hassel Bacchus
 - viii. Mr. Laurence Hislop

SECRETARIAT SUPPORT

7. The following officers were assigned to assist the Committee:
 - i. Mr. Julien Ogilvie - Secretary
 - ii. Mr. Brian Lucio - Assistant Secretary
 - iii. Ms. Terriann Baker - Research Assistant
 - iv. Ms. Nicole Brown- Research Assistant

GLOSSARY OF TERMS

TERM	DEFINITION	TERM	DEFINITION
Fintech	Technologically enabled financial innovation that could result in new business models, applications, processes or products with an associated material effect on financial markets and institutions and the provision of financial services ¹ .	Market disruptor	A smaller company with fewer resources is able to successfully challenge established incumbent businesses ²
Regtech	Technologies that may facilitate the delivery of regulatory requirements more efficiently and effectively by registrants or reporting entities ³ .		
Suptech	Digitised processes used in conducting regulatory activities ⁴ .	Regulatory sandbox	A testing ground for new business models in order to adapt compliance with strict financial regulations so that innovations aren't smothered but consumers are also protected ⁵

¹ E-Money Issue Order, 2020. Accessed: April 28, 2022. Available: https://www.central-bank.org.tt/sites/default/files/page-file-uploads/legal-notice-284-e-money-issuer-order-2020_1.pdf

² Christensen, C., M., Raynoe, M., E. and McDonald, R. (2015). 'What is Disruptive Innovation.' Accessed: February 07, 2022. Available: <https://hbr.org/2015/12/what-is-disruptive-innovation>

³ TTSEC Submission. March 14, 2022.

⁴ Ibid.

⁵ BBVA. (2018). 'What is a regulatory sandbox.' Accessed: February, 07, 2022. Available: <https://www.bbva.com/en/what-is-regulatory-sandbox/>

Blockchain	Blockchain is a shared, immutable ledger (no participant can tamper or change a transaction after it has been added) that facilitates the process of recording transactions and tracking assets in a business network ⁶	Start up	Start-ups are young companies rooted in innovation founded to develop a unique product or service thereby disrupting the market ⁷
Cryptocurrency	Decentralised digital money based on blockchain technology ⁸	Venture capital	Money that is invested for a short space of time until the business reaches a stage where it can be sold to a larger entity to provide the liquidity ⁹
Machine learning	Uses data and algorithms to improve the computer's accuracy. It is an important component in making classifications or predictions and uncovering key insights in data mining projects ¹⁰	Virtual/ digital currency	Digital representations of value that functions as a medium of exchange, unit of account or store of value, in some countries it operates as real money ¹¹

⁶ IBM. 'What is blockchain technology.' Accessed: February 07, 2022. Available: <https://www.ibm.com/topics/what-is-blockchain>

⁷ Baldrige, R. and Curry, B. 'What is a startup?' Accessed: February 07, 2022. Available: <https://www.forbes.com/advisor/investing/what-is-a-startup/>

⁸ Ashford, K. and Schmidt, J. (2022). 'What is cryptocurrency.' Accessed: February 07, 2022. Available: <https://www.forbes.com/advisor/investing/what-is-cryptocurrency/>

⁹ Zider, B. (1998). 'How Venture Capital Works.' Harvard Business Review. Accessed: February 07, 2022. Available: <https://hbr.org/1998/11/how-venture-capital-works>

¹⁰ IBM Cloud Education.(2020). 'What is machine learning.' Accessed: February 07, 2022. Available: <https://www.ibm.com/cloud/learn/machine-learning>

¹¹ IRS.gov. (2021). 'Virtual Currencies.' Accessed: February 07, 2022. Available: <https://www.irs.gov/businesses/small-businesses-self-employed/virtual-currencies>

EXECUTIVE SUMMARY

1. At its 7th Meeting held on November 19, 2021, the Committee resolved to pursue an inquiry into the implementation of a regulatory framework for the development of financial technology (Fintech) and e-payments.
2. The inquiry process involved the collation of relevant oral and written evidence from primary and secondary stakeholders as well as from the public. In this regard, the Committee received evidence from the following stakeholders:

Public	Private
Ministry of Finance	Bankers Association of Trinidad and Tobago
Central Bank of Trinidad and Tobago	Fintech Association of Trinidad and Tobago
Trinidad and Tobago Securities and Exchange Commission	Trinidad and Tobago International Financial Centre
Financial Intelligence Unit of Trinidad and Tobago	Wipay Caribbean
	Agricultural Development Bank
	Securities Dealers Association of Trinidad and Tobago
	UWI Department of Economics
	UWI Department of Management

3. Fintech, or financial technology refers to the new financial industry that is reliant on innovative technologies and business models to provide **financial services** outside of the traditional financial sector.¹² Fintech solutions seek to challenge the traditional financial infrastructure by utilising big data, artificial intelligence, blockchain and edge computing to make financial services more accessible and efficient¹³.

¹² Cortina, J. and. Schmukler, S. (2018). 'The fintech revolution: a threat to global banking.' Research and Policy Briefs from the World Bank Chile Centre and Malaysia Hub. Accessed: August 23, 2021. Available:

<https://documents1.worldbank.org/curated/en/516561523035869085/pdf/125038-REVISED-A-Threat-to-Global-Banking-6-April-2018.pdf>

¹³ Peek, S. 'What is Fintech? Definition, evolution and examples.' US Chamber of Commerce. Accessed: August 03, 2021. Available: <https://www.uschamber.com/co/run/business-financing/what-is-fintech>

4. The Central Bank along with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) are collectively responsible for implementing a robust supervisory framework for Fintech through the establishment of a joint innovation hub and regulatory sandbox¹⁴. These core supervisory agencies share similar aims of fostering the development of Fintech whilst seeking to minimise its risks.

5. Due to the rapidity in the creation, dissemination and use of Fintech applications, it is imperative that the measures to control and manage its use be clearly outlined to minimise the potential risks that may result from regulatory arbitrage¹⁵. The Committee thus undertook to assess the sufficiency of the regulatory framework.

6. Some of the issues which the Committee took into account were as follows:
 - i. The level of readiness for introducing Fintech to Trinidad and Tobago;
 - ii. Implementation of electronic payment systems at select State entities;
 - iii. Gaps in the regulatory framework to facilitate the implementation of Fintech;
and
 - iv. Strategies for promoting awareness of the risks and benefits of Fintech.

¹⁴ Central Bank of Trinidad and Tobago. 'Fintech.' Accessed: September 01, 2021. Available: <https://www.central-bank.org.tt/fintech>

¹⁵ Banks are subject to an ever-increasing regulatory burden, heightened legal scrutiny, and larger capital requirements, which have affected which products they can provide and have changed the cost of their funding. Therefore, banks, especially those facing tighter capital constraints, are withdrawing from markets with high regulatory costs. Shadow banks, which are largely free of regulatory costs and such concerns, then step into this gap. <https://www.fdic.gov/analysis/cfr/bank-research-conference/annual-17th/papers/15-piskorski.pdf>

SUMMARY OF RECOMMENDATIONS

The following are key recommendations proffered by the Committee:

- A. The Committee has taken note of the various initiatives undertaken by the State regarding Fintech. However, given the embryotic stages of some of these initiatives, the Committee recommends that the Ministry of Finance in the Ministerial Response to this Report, include status updates on:**
- i. The Digitalisation of Payments services across Government Ministries and Departments;**
 - ii. The consultancy aimed at Broadening Financial Inclusion in Trinidad and Tobago through the utilization of Technology to improve the operation of a Low Value Payment System; and**
 - iii. The Review of Government Incentives for Fintechs and possibilities for Trinidad and Tobago.**
- B. Following the completion of the necessary research at A. iii. above, the Ministry of Finance, in collaboration with the Central Bank of Trinidad and Tobago, the Trinidad and Tobago International Financial Centre and the Fintech Association should develop an implementation plan for introducing Fintech to Trinidad and Tobago in a substantial way.**
- C. State agencies that have implemented online debit and credit card payments should provide a status update on implementation and use of these systems. These agencies should also provide an analysis of implementation on service delivery.**
- D. The Central Bank of Trinidad and Tobago, in collaboration with the Fintech Association should develop a plan to examine the gaps in legislation to allow Fintech to be sufficiently implemented in Trinidad and Tobago.**

- E. The Office of the Prime Minister should provide an update on the operationalisation of the Data Protection Act, Chapter 22:05 and the Electronic Transactions Act.**

- F. There must be comparative research conducted to look at best practices for Fintech implementation and regulation. This should be spearheaded by the Central Bank of Trinidad and Tobago in collaboration with the Fintech Association.**

INTRODUCTION

BACKGROUND

- i. Fintech may be considered a **market disruptor** as it is changing the way that business and finance is traditionally conducted¹⁶ but can alternatively be harnessed to bring mutual benefit. These benefits were identified as improvement in the speed and efficiency of transactions, reduction in overhead costs and promotion of financial inclusion and greater access to credit¹⁷.
- ii. The ever-expanding range of Fintech applications include matching lenders and borrowers, financial planning, mobile payments, credit rating calculations, identity authentication, peer to peer transactions as well as mobile and online payment options.
- iii. Fintech relies on digital data and this increases the vulnerability to privacy risks and financial fraud¹⁸. Due to the storage of consumer data in central repositories, the potential for the theft, abuse and re-sale of consumer data is heightened¹⁹. Furthermore, the fragmentation of the safety controls for the movement of funds may result in lack of guarantees for redress, money laundering or terrorist financing²⁰.

¹⁶ Corporate Finance Institute. 'Fintech.' Accessed: August 03, 2021. Available:

<https://corporatefinanceinstitute.com/resources/knowledge/finance/fintech-financial-technology/>

¹⁷ Cortina, J. and. Schmukler, S. (2018). 'The fintech revolution: a threat to global banking.' Research and Policy Briefs from the World Bank Chile Centre and Malaysia Hub. Accessed: August 23, 2021. Available:

<https://documents1.worldbank.org/curated/en/516561523035869085/pdf/125038-REVISED-A-Threat-to-Global-Banking-6-April-2018.pdf>

¹⁸ Cortina, J. and. Schmukler, S. (2018). 'The fintech revolution: a threat to global banking.' Research and Policy Briefs from the World Bank Chile Centre and Malaysia Hub. Accessed: August 23, 2021. Available:

<https://documents1.worldbank.org/curated/en/516561523035869085/pdf/125038-REVISED-A-Threat-to-Global-Banking-6-April-2018.pdf>

¹⁹ Barefoot, Jo Ann. (2020). 'Digital technology and risks for finance: dangers embedded in Fintech and Regtech.' Harvard Kennedy School Mossavar-Rahmanu Centre for Business and Government. M-RCBG Associate Working Paper Series Number 151. Accessed: August 12, 2021.

Available: https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/AWP_151_final.pdf

²⁰ Cortina, J. and. Schmukler, S. (2018). 'The fintech revolution: a threat to global banking.' Research and Policy Briefs from the World Bank Chile Centre and Malaysia Hub. Accessed: August 23, 2021. Available:

<https://documents1.worldbank.org/curated/en/516561523035869085/pdf/125038-REVISED-A-Threat-to-Global-Banking-6-April-2018.pdf>

- iv. The **Central Bank of Trinidad and Tobago (CBTT)**, the **Trinidad and Tobago Securities and Exchange Commission (TTSEC)** and the **Financial Intelligence Unit of Trinidad and Tobago (FIUTT)**, are collectively responsible for implementing a robust supervisory framework for Fintech through the establishment of a joint innovation hub and regulatory sandbox²¹. The three core supervisory agencies have cooperatively established a Joint Fintech Steering Committee to ensure effective collaboration among the regulators.

The Regulatory Authorities

- v. In October 2020, the Central Bank, Trinidad and Tobago Securities and Exchange Commission (TTSEC) and Financial Intelligence Unit of Trinidad and Tobago (FIUTT) established an “innovation hub” which simplified and centralised queries from and responses to Fintech firms interested in operating domestically. At the same time, a “regulatory sandbox” was set up, which allowed for the regulators to monitor the qualified companies to test and modify their products in a controlled setting. At the time of the public hearing on March 18, 2022;
- a. forty-three (43) companies made queries within the innovation hub;
 - b. six (6) of which progressed to the application phase for an e-money license; and
 - c. no e-money licenses had yet been granted for either full operation, or for controlled activity within the sandbox.

Scope of the Inquiry

- vi. The Central Bank distinguishes Fintech from traditional financial services because these companies are dynamic and facilitate the instantaneous movement of funds. However, they are not ordinarily under the purview of the Central Bank and may bypass its supervision. The need to consider the various facets of Fintech is a necessity

²¹ Central Bank of Trinidad and Tobago. ‘Fintech.’ Accessed: September 01, 2021. Available: <https://www.central-bank.org.tt/fintech>

given the multiple associated risks which the Trinidad and Tobago Securities and Exchange Commission identified. These include cyber security risks, disruption to traditional business models and lack of regulatory oversight for virtual assets and cryptocurrencies. These and other related concerns relevant to the existence and development of Fintech in the domestic arena will be directed by the objectives outlined below.

OBJECTIVES

- vii. In view of the above, the Committee agreed that its inquiry will be guided by the following objectives:
- 1. To determine the extent to which Fintech is available for use in the local economy and the projections for its growth; and**
 - 2. To examine the challenges that may arise with greater Fintech use and the sufficiency of regulatory measures.**

CONDUCT OF THE INQUIRY

- viii. At its Meeting held on March 18, 2022, the Committee convened a *Public Hearing* with the following entities:
- The Ministry of Finance;
 - The Central Bank of Trinidad and Tobago;
 - The Trinidad and Tobago Securities and Exchange Commission; and
 - The Financial Intelligence Unit of Trinidad and Tobago
- ix. At its Meeting held on May 27, 2022, the Committee convened a *Public Hearing* with the following entities:
- Fintech Association of Trinidad and Tobago;
 - Trinidad and Tobago International Financial Centre; and
 - Wipay Caribbean.

The Minutes of the Meetings during which the public hearings were held are attached as Appendix I and the Verbatim Notes are attached as Appendix II.

SUMMARY OF EVIDENCE, FINDINGS AND RECOMMENDATIONS

OBJECTIVE 1: TO DETERMINE THE EXTENT TO WHICH FINTECH IS AVAILABLE FOR USE IN THE LOCAL ECONOMY;

Introducing Fintech to the Trinidad and Tobago Landscape

1. According to the Fintech Association of Trinidad and Tobago, the Government and the Private Sector will need to work closely together to facilitate the introduction of Fintech. They indicated that State entities will need to be the main driver for Fintech adoption in the Caribbean given that the Government is the largest employer and has the largest number of customers.
2. One of the promising developments toward introducing Fintech to Trinidad and Tobago is the increasing adoption of online banking. The use of online banking increased during the Covid-19 pandemic and the FATT hoped that this will be a continuing trend.
3. The FATT also mentioned that financial inclusion was one of the major benefits of Fintech. As such, they embarked on several strategies to educate the public on Fintech. One of these initiatives was a “hack-a-thon,” which was scheduled to be held at the end of June 2022.
4. The Trinidad and Tobago International Financial Centre indicated that its mandate changed in April 2021 to focus on the following:
 - increasing financial inclusion via Fintech;
 - driving the digitization of payments across the Public Sector;

- allowing Ministries, Departments and Agencies to leverage Fintech technologies as it relates to receiving revenue, as well as disbursing funds to citizens; and
 - establishing Trinidad and Tobago as a Fintech-enabled hub.
5. In 2020, the Ministry of Finance collaborated with the Central Bank of Trinidad and Tobago to relax Know Your Customer (KYC)²² requirements which facilitated more people being able to open bank accounts.
6. TTIFC indicated that legislation allowing for the acceptance of digital signatures will facilitate wider use of Fintech.

Fintech – Pros vs Cons

7. The TTSEC highlighted the benefits of Fintech. They noted that it offered access to tailored and more affordable financial products and services, reduced information asymmetry and improved transparency and customer convenience. Fintech also expands the financial landscape by providing a wider pool of investors, borrowers and lenders, diversified funding and cost maintenance options for businesses. The Ministry of Finance in concurring with the TTSEC's views, remarked on Fintech's potential to deliver significant benefits for the citizens of Trinidad and Tobago.
8. The Bankers Association of Trinidad and Tobago (BATT) was of the view that Fintech allows for more inclusive, creative, efficient and cost-effective provision of financial services to meet the needs of clients. However, the benefits of adoption were tempered by the limitations within the legislative environment and the lack of public knowledge of new services. According to the BATT, without adequate

²² KYC is the mandatory process of identifying and verifying the client's identity when opening an account and periodically over time.

policy implementation and enforcement, Fintech can be used to take advantage of those who are already vulnerable. Guardrails that have been put up to ensure the stability of the traditional financial system, must be examined and revised to ensure that they meet the needs of the Fintech environment as many newcomers have not traditionally offered financial services.

9. The Committee noted the BATT's provision of the pros and cons of Fintech via the International Monetary Fund, 2019 working paper (Berkmen et al, 2019) *Fintech in Latin America and the Caribbean: Stocktaking*. Some of the following key potential pros and cons were noted in the working paper:

PROS

- a. Reduced transaction costs to suppliers and by extension this can be passed on to end customers.
- b. Improved efficiency in the financial markets.
- c. Supports financial development and inclusion of the unbanked, underbanked and small to medium-sized enterprises (SMEs) - there is a significant unbanked and underbanked population in T&T. According to an IDB and Finnovista (2018) Survey 46% of Fintechs in the LAC assist these three sub-segments.
- d. Ease of access to funds for persons in rural areas (e.g. with use of mobile money).
- e. Reduced cost of remittances-(very important source of income from the diaspora)- increasingly important due to the loss of correspondent relationships to the Caribbean.
- f. Increased financial sector competition – following the global financial crisis and also due to compliance-related concerns, many international FI's had reduced exposures in the Caribbean, left or consolidated operations in the region, this has materially impacted market structures in some markets and

by extension interest rates. Fintechs therefore, presents the opportunity to boost competition, incentivize enhanced service offerings, new product development with use of more cutting edge technology.

CONS

- a. A more technology-based financial system creates new and not fully understood risks to end customers, providers, regulators and the overall local economy.
- b. Financial stability- start-ups and Fintechs will not have the experience-base, nor robust risk-based systems in place which have been built and enhanced at commercial banks over decades. The potential risks to financial stability is far from being fully understood in this area and with projected growth in Fintechs without the necessary controls in place, this may pose material risks to the local economy. Given the sensitivity of our largely oil and gas based-local economy and those our largely tourism-driven other Caribbean markets, this is an area which must be given very serious consideration-given potential hazardous knock-on effects.
- c. Financial Integrity – This is of critical importance to safeguard particularly in markets with higher reputational risks, reduced rankings regarding transparency etc. and at very fragile correspondent relationships, increased complexity of transaction models with use of Fintechs, increases the risk of potential masking of beneficial owners of assets, increases risk of money laundering, terrorist financing. Sufficient resources to supervise and regulate these activities will be of critical importance, as well as inclusion of specific anti-money laundering and anti-terrorist financing (AML/ATF) clauses in Fintech related legislation.
- d. Cyber Risk-increased due to digitalization, some deficiencies in the LAC include limited cyber-security expertise (not aligned with the increasing sophistication of fraud), lack of innovative technologies, poor cybersecurity

strategy, limited technology investment, weak cyber-crime legislation, legacy legislation which is not aligned to current realities.

- e. Consumer and data protection risk increased- misuse of data, data breaches, weak data protection standards/legislation, legacy legislation which was not aligned to current realities.

Fintech in the Domestic Sphere

Availability of Fintech

10. According to the Ministry of Finance's written submission dated February 15, 2022, the types of Fintech that were available for use in the local economy were:

- a. **Mobile banking:** With consumers looking more towards financial wellness, many financial institutions were adopting or expanding their mobile banking capabilities with the rising demand for digital banking among consumers. Most banks now offer some type of mobile banking capability on their platform, e.g., Republic Bank, First Citizens, Scotiabank, Royal Bank of Canada etc.
- b. **Regulatory Technology²³:** Though relatively young, Regtech was maturing rapidly. RegTech companies were engaging in machine learning, natural language processing, block chain, and other technologies in order to bring the power of digital transformation to the world of regulatory compliance. There were local entities, working with the banking and insurance sector to leverage this category of Fintech to improve their regulatory compliance reporting.
- c. **Insurance Technology²⁴:** Insurtechs were redefining the insurance customer experience by innovating lengthy processes, including underwriting, claims processing and immediate activation. Fintech

²³ RegTech (Regulatory Technology) is the application of emerging technology to improve the way businesses manage regulatory compliance.

²⁴ Insurtech is the use of technology designed to maximize savings and gain efficiency from the insurance industry models.

companies were starting to partner with traditional insurance companies to automate processes and enable the insurance companies to expand coverage. Examples of these coming out of the pandemic can be experienced via local entities such as the Guardian Group, Beacon insurance and Colfire, all of which allow customers to sign up and pay premiums online.

- d. **Digital lending and credit:** Finance Ltd is an example of a local entity that provides small business and personal loans locally and is powered by transactional data to help make incredibly quick lending decisions, usually within two - to twenty-four hours (based on criteria). Big Data and advanced analytics capabilities were used to digitize the innovation process from a current manual adjudication process.
- e. **Payment facilitators:** These providers handle transactions for merchants and onboard merchants, and/or provide acceptance technology. Examples of this category of Fintech provider are Resonance Trinidad (Ltd.) which operates the "yooz" platform, which allows for contactless payments. When the customer scans a code or clicks a link, they are carried to a secure payment portal where they can use their credit cards or Visa debit cards to pay merchants.

Virtual assets and cryptocurrencies

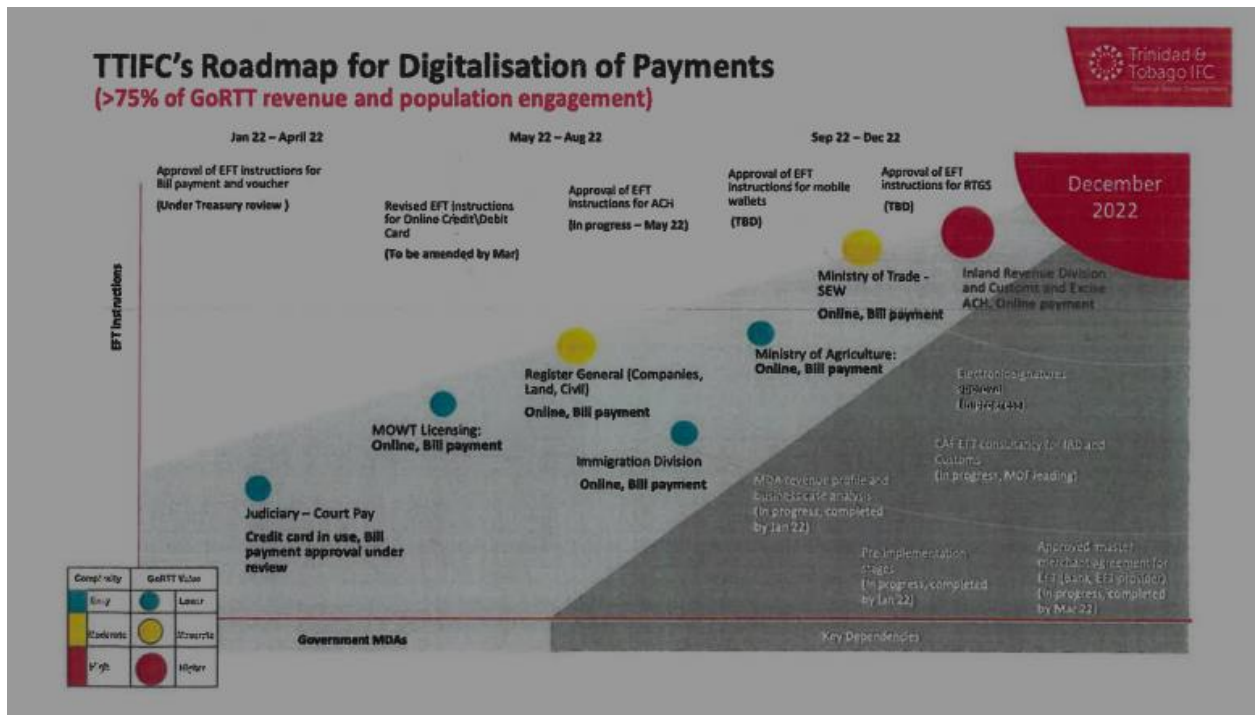
11. According to the TTSEC, Fintech use in the local economy has been observed in the following iterations: unauthorised virtual currencies and initial coin offerings, locals purchasing cryptocurrencies internationally and broker dealers purchasing cryptocurrencies on behalf of clients as part of wealth management services. The FIUTT however, indicated that interest and use in these types of financial technologies appeared to be moderate.

Online payment facilities

12. Electronic and/or mobile payments increased partly out of an induced need brought on by the COVID-19 pandemic and banks seeking to reduce their overall expenditure. These transactions, usually incorporating a debit or credit card feature, were increasingly being performed online. In tandem with these developments, the FIUTT also reported an increase in the electronic on-boarding of customers by listed businesses and other financial institutions. Similar growth was also noted in the provision of payment service providers as a third party payment receiver platform.

Trinidad and Tobago International Financial Centre's Roadmap for the Digitalisation of Payments

13. The Trinidad and Tobago International Financial Centre (TTIFC) was tasked with the mandate to apply and develop financial technology within the public and private financial services sector. This was being effected through the digitalisation of payment services across Government ministries and departments. A roadmap identifying the process for change across key Ministries, departments and agencies is outlined in Figure 1.



14. As at April 2022, the following entities had implemented the LINX debit and credit card electronic payment options.

Linx Debit Payment Option	Credit Card Payment Option
Immigration Division	Judiciary
Ministry of Works and Transport	Registrar General
	Intellectual Property Office

To facilitate these payments, Electronic Funds Transfer (EFT) Instructions for the collection of public funds were completed for both the LINX and credit card solutions.

15. The entities proposed for future digitalisation include the Inland Revenue, Division, Immigration Division, Judiciary and Ministries of Agriculture, Trade and Industry and Works and Transport.

Technical Assistance from the Andean Development Bank

16. The Committee learnt via the Ministry of Finance's written submission that the Ministry received technical assistance from the Andean Development Bank (CAF) to engage an international firm to undertake a consultancy for *"Broadening Financial Inclusion in T&T through the utilization of Technology to improve the operation of a Low Value Payment System."* A final report was submitted and as a result, the MOF requested further technical assistance from CAF to engage an international consultancy firm with the objective of working with the Board of Inland Revenue and the Customs and Excise Division in improving the ease of paying custom duties and tax obligations for citizens and businesses in Trinidad and Tobago. CAF was in the final stage of procurement and was expected to submit its Technical Cooperation Agreement shortly.

Draft Position Paper

17. According to the Ministry of Finance, the TTIFC prepared an initial draft position paper entitled, *"Review of Government Incentives for Fintechs and possibilities for Trinidad and Tobago"*. The Paper highlights strategically planned incentives that can be implemented to enhance and maximize the Fintech industry of Trinidad and Tobago.

FINDINGS

18. **Based on the foregoing evidence, the Committee has made the following findings:**
- i. Notwithstanding some initiatives, the introduction of Fintech to Trinidad and Tobago has been slow;
 - ii. There is a limited level of buy-in from the public and from institutions in the adoption of Fintech;
 - iii. Lack of adequate awareness and mistrust in new technology has hindered the adoption of Fintech;
 - iv. The State has not yet developed a strategy for widespread implementation of Fintech in Public Sector entities;

- v. the wider adoption of Fintech has the potential to increase the level of participation in the financial services sector. However, this benefit is tempered by the inherent risks associated with utilizing new and untested Fintech services. ,
- vi. The benefits of Fintech, particularly in the area of financial inclusion have not been clearly articulated or promoted to the wider public.
- vii. Progress made on the application of Fintech to both the private and public financial services sector has not been sufficiently documented.
- viii. Data on the use of Fintech needs to be better documented and quantified as information provided was largely anecdotal.
- ix. The inclusion of Linx debit and credit card payments at key state agencies is a step in the right direction but requires adequate monitoring and evaluation to apply findings to future roll out at other state agencies.

RECOMMENDATIONS

19. Based on the foregoing, the Committee submits the following recommendations:

- G. The Committee has taken note of the various initiatives undertaken by the State regarding Fintech. However, given the embryotic stages of some of these initiatives, the Committee recommends that the Ministry of Finance in the Ministerial Response to this Report, include status updates on:**
- i. The Digitalisation of Payments services across Government Ministries and Departments;**
 - ii. The consultancy aimed at Broadening Financial Inclusion in Trinidad and Tobago through the utilization of Technology to improve the operation of a Low Value Payment System; and**
 - iii. The Review of Government Incentives for Fintechs and possibilities for Trinidad and Tobago.**

- H. Following the completion of the necessary research at A. iii. above, the Ministry of Finance, in collaboration with the Central Bank of Trinidad and Tobago, the Trinidad and Tobago International Financial Centre and the Fintech Association should develop an implementation plan for introducing Fintech to Trinidad and Tobago in a substantial way.

- I. The Central Bank, in collaboration with the Fintech Association should develop and implement training of key sector workers as determined by research in understanding Fintech. This intervention can be further fortified with the creation of an online Fintech information hub that will serve as an open-data platform for sourcing current information, updates and insights into Trinidad and Tobago's progress in the area of Fintech.

- J. State agencies that have implemented online debit and credit card payments should provide a status update on implementation and use of these systems. These agencies should also provide an analysis of implementation on service delivery.

OBJECTIVE 2: TO DETERMINE THE EXISTING GAPS IN THE CREATION OF A MODERN, RELEVANT AND OBJECTIVE NATIONAL STATISTICAL INSTITUTE;

Regulatory Framework for Fintech

1. The Central Bank of Trinidad and Tobago (CBTT) emphasised that while they attempted to provide an enabling framework that sought to nurture the development of the Fintech industry, this approach was balanced by strong supervision evidenced by the establishment of a Fintech supervisory unit in October 2021.
2. The CBTT also acknowledged that efforts were being made to loosen their strong control impetus through self-edification and dialogue with external stakeholders, both regionally and internationally. The rationale for such a stance was founded on the basis of providing protection and avenues for redress to the consumer whilst encouraging their active participation in new forms of technology that was both beneficial and pervasive. This involved gaining insight into the suitability, fitness and governance structure of Fintech providers, a task shared by the supervisory authorities, the CBTT, Financial Intelligence Unit of Trinidad and Tobago (FIUTT) and Trinidad and Tobago Securities and Exchange Commission (TTSEC). In doing so, a communicative inter-agency agency approach was adopted to strengthen the regulatory infrastructure to address the Fintech landscape.
3. With respect to enforcement and pursuant to the completion of the *E-money Issue Order, 2020*²⁵, the CBTT expressed confidence in both their supervisory capacities and the existing legal framework. Whilst the possibility to revoke licenses was an option, this was identified as a measure of last resort.

²⁵ https://www.central-bank.org.tt/sites/default/files/page-file-uploads/legal-notice-284-e-money-issuer-order-2020_1.pdf

4. The legislative approach to regulation was being examined through the consideration of the *Data Protection Act, Chap 22:04* and the *Electronic Transactions Act, Chap. 22:05* by the Ministry of Public Administration, whilst a priority listing of other relevant laws were identified for review.
5. With respect to the changes materialised by the Financial Action Task Force rules (2018), the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) was in the process of conducting a legislative gap analysis to ensure harmonisation between the laws and had engaged both the supervisory working group and other high level entities towards the fulfilment of these ends. Part of the process entailed an information-gathering exercise of which the focus was the customer on-boarding process for digital identities and verification.

Oversight

6. The FIUTT was also instrumental in facilitating Suspicious Transactions Reports (STR)²⁶ through their FIU Connect database. This data was compiled and analysed to identify trends that would then be conveyed via Public Advisories. The Compliance and Outreach division would utilise this information as a basis to both conduct stakeholder sensitisation sessions on those issues demanding further attention and determine the overall compliance of registrants.
7. The Innovation Hub was created out of a need to coordinate stakeholders' requests to operate Fintech operations in the local jurisdiction. The model appeared to be doubly beneficial in that it enabled interested firms to understand the processes involved with pursuing an application whilst allowing the regulators to manage the pace of change and implementation.

²⁶ According to the FIUTT, from 2019 – 2022, 32 out of 4,533 STRs were related to virtual currencies.

8. **Forty-three (43) persons** involved in a diversity of enterprises from e-wallets to cryptocurrency had expressed initial interest with six participants going on to make formal applications. It was envisioned that the **six locally incorporated entities** who submitted formal applications would eventually receive e-money issuer licenses in step with the formalisation of regulatory requirements.
9. Following the public hearings, the committee received updates from the Central Bank and was informed of the issuing of provisional registrations to three companies as electronic money (e-money) issuers.
10. The CBTT defended its use of the sandbox model as a testing ground to facilitate the move to licensing, noting that it was advantageous in its allowance of operators' ability to experiment and regulators' ability to modify operations. A gradual roll-out and/or granting of provisional licenses was thus considered in this regard.
11. Commercial banks were already utilising Fintech through their online banking approaches and chose to either adopt these measures individually, or collaborate with their competitors to gain a market advantage.
12. There was significant promise for the wider application of Fintech in the provision of governance services, specifically in the areas of social welfare and tax payments. Avenues for inclusion of the unbanked and under-banked were also being considered by way of access to payment service providers as one of the payment options open to consumers.

Fintech Risks

13. One of the potential gaps which the regulatory agencies were particularly receptive to was regulatory arbitrage and the possibility for operators to take advantage of

regulatory loopholes. The CBTT was keen to identifying these as well as opportunities for complementarity in the system as part of their overall regulatory approach.

14. The CBTT, in conjunction with the regulatory bodies and existing financial institutions had already instituted an anti-money laundering and fraud prevention system and this model was intended to pilot the approach that would be taken with respect to the regulation of Fintech risks in this area. Furthermore, the *Bali Fintech Agenda 2018* also established international guidance principles that would direct States' regulation and response to Fintechs on a global scale.
15. Whilst it was not possible to regulate the activities of large scale Fintech operators such as *Amazon* and *PayPal*, it was the position of the CBTT to educate the public about the risks involved when accessing the services of these conglomerates.
16. A special distinction was made in relation to the level of risk posed by cryptocurrencies. Due to the absence of a tangible asset base on which to determine its value and consequential price fluctuations, the regulatory bodies issued an advisory on the lack of recourse open to persons investing in such enterprises.
17. It appeared that there was risk aversion towards the purchase of cryptocurrencies and low reporting of suspicious activities associated with its purchase according to reports made to the **FIUTT**.

Challenges to implementation

18. Though a survey to identify a national base for financial inclusion was being effected by the *Trinidad and Tobago International Financial Centre (TTIFC)* in anticipation of a Strategic Plan, the lack of such a guiding document and primary advocate to drive the wider implementation of Fintech was palpably noticeable.

19. The **Ministry of Finance**, however, provided indication of their forward planning with respect to the rollout of online payments in Ministries, Departments and Agencies in partnership with the TTIFC. Thus far, large receivers of revenue had been engaged and entities such as the Judiciary were already accepting online payments with the aim being to digitalise all payment systems inclusive of tax payments.
20. A road map identifying the timeframe for completion extended to December 2022 but the lack of access to software for the facilitation of online transactions was a major stumbling block hindering the advancement of smaller Ministries. It was in this respect that the Ministry of Trade and Industry was invited to assist the Treasury Division in providing this access through the *Single Electronic Window*. The fact that the will to implement online payments was based partly on entities' own volition and preference may also have impacted on the timeframe for implementation;
21. The Ministry of Finance acknowledged that whilst there were a number of initiatives steering the direction of Fintech inclusive of an established working group, the submission of progress reports and even incentives for Fintech development, overall progress was slow.
22. Whilst it would be a worthwhile endeavor to examine the sufficiency of the legislation to penalise criminal action in the realm of Fintech, the actual capacity to enforce the law in an efficient and transparent manner was outside of the remit of the supervisory authorities.
23. The FIUTT also cited human resource capacity constraints as being a challenge should the Unit be required to oversee the wider application of Fintech. With just eighteen compliance officers in their department, the expansion in the number of businesses in need of monitoring would not only be a burden on the existing staff but would require them to develop subject specific knowledge as well.

Avenues for Sensitisation

24. The relevance of advancements in the financial arena to the general public was highlighted noting that, unless a change was materially impacting, they would often go unnoticed. An exemplar was drawn from the recent amendments to the Exchequer and Audit Act, Chap. 69:01 and the limited extent to which this knowledge was public;
25. On the issue of relevance, it was also advanced that the wider application of Fintech through the digitisation of governance services would also advance the mandate of financial inclusion, specifically for vulnerable groups. Fintech applications would also help to obviate the need for credit cards to conduct certain transactions online, a hurdle that was a deterrent to many without access to this facility.
26. The National Financial Literacy Programme was the primary awareness-raising mechanism employed by the CBTT and it was the intention of the organisation for Fintech to be a central part of these educational initiatives.
27. In order to make the subject of Fintech one of general interest, its convenience speed and security of cashless operations was singled out as a key advantage to be communicated to stakeholders.
28. The CBTT issued Market Conduct Guideline advises that financial providers communicate potential risks to stakeholders in plain language. Redress for risks incurred could also be invoked by way of the Central Bank and Office of the Financial Services Ombudsman.

FINDINGS

29. Based on the forgoing evidence, the Committee has made the following findings:

- i. The regulatory framework and legislative amendments required for full implementation of Fintech were not clear.
- ii. Existing regulatory environment does not allow for the full introduction of Fintech into Trinidad and Tobago.
- iii. The CBTT has to take on a greater role in educating the public about Fintech, particularly with the wide availability of information, the rules and regulations concerning Fintech within the Trinidad and Tobago landscape must be addressed.
- iv. Reasons for MDAs not introducing electronic payment options must be thoroughly addressed. Fintech cannot be introduced without support from the State.
- v. The outcomes/success of the financial literacy programme have not been adequately documented and reported on.
- vi. While there has been a great deal of promotion of the benefits of Fintech, not enough has been done to communicate the risks of Fintech to stakeholders.
- vii. The granting of approval for three e-money issuers to operate is a notable advancement in the dispensation of Fintech services in Trinidad and Tobago.

RECOMMENDATIONS

30. Given the foregoing, the Committee recommends that:

- A. **The Central Bank of Trinidad and Tobago, in collaboration with the Fintech Association should develop a plan to examine the gaps in legislation to allow Fintech to be sufficiently implemented in Trinidad and Tobago.**

- B. **The Office of the Prime Minister should provide an update on the operationalisation of the Data Protection Act, Chapter 22:05 and the Electronic Transactions Act.**

- C. **The Central Bank should closely monitor the experiences of the companies who were granted provisional approval under the E-money Issuer Order (2020). The lessons learned should be used guide and advise Government on future policy decisions in this the area of Fintech.**

- D. **There must be comparative research conducted to look at best practices for Fintech implementation and regulation. This should be spearheaded by the Central Bank of Trinidad and Tobago in collaboration with the Fintech Association.**

- E. **The Ministry of Digital Transformation in collaborate with the Ministry of Public Administration should coordinate the process of implementation of Fintech in the Public Service of Trinidad and Tobago. The Ministerial Response to this report should include the Ministry's policy position on the use of Financial Technology in the context of e-government and public sector reform.**

- F. **The Ministerial Response from the Ministry of Finance should include the proposed role the FIUTT will play in monitoring the new e-money issuers.**

The Committee respectfully submits the foregoing for the consideration of the Parliament.

Mrs. Hazel Thompson-Ahye
Chairman

Mr. Marvin Gonzales, MP
Vice-Chairman

Ms. Jayanti Lutchmedial
Member

Mr. Keith Scotland, MP
Member

Mr. Saddam Hosein, MP
Member

Mr. Terrence Deyalsingh, MP
Member

Mr. Hassel Bacchus
Member

Mr. Laurence Hislop
Member

March 21, 2023

APPENDICES

APPENDIX I

Minutes of Proceedings

**EXCERPT OF MINUTES OF THE TENTH MEETING
JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS,
12TH PARLIAMENT
HELD ON FRIDAY MARCH 18, 2022**

The Meeting was held virtually via Zoom

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Hassel Bacchus	Member
Mr. Keith Scotland, MP	Member
Mr. Terrence Deyalsingh, MP	Member
Ms. Jayanti Lutchmedial	Member
Mr. Marvin Gonzales, MP	Member
Mr. Saddam Hosein, MP	Member

Secretariat

Mr. Julien Ogilvie	Secretary to the Committee
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Researcher
Ms. Ria Rampersad	Researcher
Mr. Marcus Moses	Procedural Officer Intern

PUBLIC HEARING PURSUANT TO AN INQUIRY INTO THE IMPLEMENTATION OF A REGULATORY FRAMEWORK FOR THE DEVELOPMENT OF FINANCIAL TECHNOLOGY (FINTECH) AND E-PAYMENTS

9.1 The meeting resumed in public at 10:06 a.m.

9.2 The following persons joined the meeting:

Ministry of Finance

- | | |
|--------------------------------|-------------------------|
| 1. Ms. Suzette Taylor Lee Chee | Permanent Secretary |
| 2. Ms. Catherine Laban | Comptroller of Accounts |
| 3. Ms. Nelisha Bally | Deputy Comptroller |

Central Bank of Trinidad and Tobago

- | | |
|------------------------------|--|
| 1. Dr. Alvin Hilaire | Governor and Chairman |
| 2. Mr. Alister Noel | Senior Manager, Operations |
| 3. Ms. Leslie Ann Des Vignes | Assistant Manager, Payments and Financial Markets
Infrastructure Department |

Trinidad and Tobago Securities Exchange Commission

- | | |
|------------------------|--|
| 1. Ms. Lystra Lucillio | Chief Executive Officer (Ag.) |
| 2. Mr. Sugrim Mungal | Manager, Policy, Research and Planning |

Financial Intelligence Unit Trinidad and Tobago

- | | |
|-----------------------|-------------------------------------|
| 1. Mrs. Kylene Dowden | Director, Legal Services |
| 2. Mr. Kevin Radix | Supervisor, Compliance and Outreach |

Opening Statements

9.3 The following officials gave brief opening remarks:

- | | |
|--------------------------------|-------------------------------|
| i. Ms. Suzette Taylor Lee Chee | Permanent Secretary |
| ii. Dr. Alvin Hilaire | Governor and Chairman |
| iii. Ms. Lystra Lucillio | Chief Executive Officer (Ag.) |
| iv. Mrs. Kylene Dowden | Director, Legal Services |

Key Issues Discussed

9.4 The following are the main issues arising from the discussions:

Key Issues Discussed

The following are the main issues discussed:

Defining Fintech

- i. An exact definition of Fintech though elusive due to the multiplicity of products and services of which it is comprised, has one defining feature, which is the speed and rapidity with which financial transactions are effected;

- ii. Fintech is part of the commercial banking, insurance and pension funds landscape but encompasses technological advancements that is relatively unknown to the supervisory authorities, which necessitates their understanding and attention; and
- iii. Key distinguishing features of Fintech are its facilitative and financially inclusive benefits including, access to credit, savings, insurance and investment opportunities. The consequential cyber-security and data protection risks were also mentioned, however, the advantages of instant and secure methods of moving money were particularly noted, moreso, given the strictures imposed as a result of the pandemic.

The regulatory approach

Central Bank of Trinidad and Tobago (CBTT)

- i. The CBTT emphasised that whilst they undertook to provide an enabling framework that sought to nurture the development of the Fintech industry, this approach was balanced by strong supervision evidenced by the establishment of a Fintech supervisory unit in October 2021;
- ii. The Bank also acknowledged that efforts were being made to loosen their strong control impetus through self-edification and dialogue with external stakeholders, both regionally and abroad;
- iii. The rationale for such a stance was founded on the basis of providing protection and avenues for redress to the consumer whilst encouraging their active participation in new forms of technology that was both beneficial and pervasive;
- iv. This involved gaining insight into the suitability, fitness and governance structure of Fintech providers, a task shared by the supervisory authorities, the CBTT, Financial Intelligence Unit of Trinidad and Tobago (FIUTT) and Trinidad and Tobago Securities and Exchange Commission (TTSEC). In so doing, a communicative inter-agency approach was adopted to strengthen the regulatory infrastructure to address the Fintech landscape;
- v. One of the issues involved as part of the collaborative engagement and spearheaded by the CBTT, was the need to balance customer due-diligence requirements with financial inclusion approaches, to ensure that under-banked individuals were not un-wittingly secluded from the financial system;
- vi. With respect to enforcement and pursuant to the completion of the E-money Issuer Order, 2020, the CBTT expressed confidence in both their supervisory capacities and the existing legal framework. Whilst the possibility to revoke licenses was an option, this was identified as a measure of last resort;
- vii. The legislative arm of regulation was being examined through the consideration of the *Data Protection Act, Chap 22:04* and the *Electronic Transactions Act, Chap. 22:05* by the Ministry of Public Administration, whilst a priority listing of other relevant laws were identified for review; and

- viii. Other Caribbean contexts were identified as possible model exemplars, such as the *Bahamas Digital Assets and Registered Exchanges Bill, 2020* which was suggested as a source of legal guidance on the forward approach;

Financial Intelligence Unit of Trinidad and Tobago (FIUTT)

- ix. The FIUTT was also instrumental in facilitating *Suspicious Transactions Reports* through their *FIU Connect* database. This data was compiled and analysed to identify trends that would then be conveyed via Public Advisories;
- x. The Compliance and Outreach division would utilise this information as a basis to both conduct stakeholder sensitisation sessions on those issues demanding further attention and determine the overall compliance of registrants;
- xi. With respect to the changes materialised by the Financial Action Task Force rules, 2018, the FIUTT was in the process of conducting a legislative gap analysis to ensure harmonisation between the of laws and had engaged both the supervisory working group and other high level entities towards the fulfilment of these ends; and
- xii. Part of the process entailed an information gathering exercise of which the focus was the customer on-boarding process for digital identities and verification.

Trinidad and Tobago Securities and Exchange Commission (TTSEC)

- xiv. Cryptocurrencies could be registered in either one of two ways, either as a trade, in which case it is recorded as a securities exchange, or as a form of payment, wherein it is regarded as a ‘pass through’. In any event, the registration class to treat specifically with cryptocurrencies had not yet been developed by the TTSEC;
- xv. The TTSEC had also launched its multi-phase ‘*Suptech*’ to provide a platform with which it could engage its registrants. Uptake of registrants was low, however, primarily because the on-boarding aspect required a significant input of detail. The advantages of investing in these efforts were nevertheless highlighted by the TTSEC as reducing the turn-around time for the actual submission of an application for registration; and
- xvi. In a bid to improve participation, the TTSEC had engaged liaison officers and sought to streamline its marketing approach by highlighting the gains associated with use of the ‘*Suptech*’ platform.

Avenues for Sensitisation

- i. The relevance of advancements in the financial arena to the general public was highlighted noting that, unless a change was materially impacting, they would often go unnoticed. An exemplar was drawn from the recent amendments to the *Exchequer and Audit Act, Chap. 69:01* and the limited extent to which this knowledge was public;
- ii. On the issue of relevance, it was also advanced that the wider application of Fintech through the digitisation of governance services would also advance the mandate of financial inclusion, specifically for vulnerable groups. Fintech applications would also help to obviate the need for credit cards to conduct certain transactions online, a hurdle that was a deterrent to many without access to this facility;

- iii. The *National Financial Literacy Programme* was the primary awareness raising mechanism employed by the **CBTT** and it was the intention of the organisation for Fintech to be a central part of these educational initiatives; and
- iv. In order to make the subject of Fintech one of general interest, its convenience speed and security of cash-less operations was singled out as a key advantage to be communicated to stakeholders; and
- v. The **CBTT** issued *Market Conduct Guideline* advises that financial providers communicate potential risks to stakeholders in plain language. Redress for risks incurred could also be invoked by way of the *Central Bank and Office of the Financial Services Ombudsman*.

Fintech Implementation

- i. The *Innovation Hub* was created out of a need to coordinate stakeholders' requests to operate Fintech operations in the local jurisdiction. The model appeared to be doubly beneficial in that it enabled interested firms to understand the processes involved with pursuing an application whilst allowing the regulators to manage the pace of change and implementation;
- ii. Forty-three (43) persons involved in a diversity of enterprises from e-wallets to cryptocurrency had expressed initial interest with six participants going on to make formal applications. It was envisioned that the six locally incorporated entities submitting formal applications would eventually receive e-money issuer licenses in step with the formalisation of regulatory requirements;
- iii. The **CBTT** defended its use of the sandbox model as a testing ground to facilitate the move to licensing, noting that it was advantageous in its allowance of operators' ability to experiment and regulators' ability to modify operations. A gradual roll-out and/or granting of provisional licenses was thus considered in this regard;
- iv. Commercial banks were already utilising Fintech through their online banking approaches and chose to either adopt these measures individually, or collaborate with their competitors to gain a market advantage; and
- v. There was significant promise for the wider application of Fintech in the provision of governance services, specifically in the areas of social welfare and tax payments. Avenues for inclusion of the unbanked and under-banked were also being considered by way of access to payment service providers as one of the payment options open to consumers.

Fintech risks

- i. One of the potential gaps which the regulatory agencies were particularly receptive to was regulatory arbitrage and the possibility for operators to take advantage of regulatory loopholes, the **CBTT** was keen to identifying these as well as opportunities for complementarity in the system as part of their overall regulatory approach;

- ii. The **CBTT** in conjunction with the regulatory bodies and existing financial institutions had already instituted an anti-money laundering and fraud prevention system and this model was intended to pilot the approach that would be taken with respect to the regulation of Fintech risks in this area. Furthermore, the *Bali Fintech Agenda 2018*, also established international guidance principles that would direct States' regulation and response to Fintechs on a global scale;
- iii. Whilst it was not possible to regulate the activities of large scale Fintech operators such as *Amazon* and *PayPal*, it was the position of the **CBTT** to educate the public about the risks and lack of redress involved when accessing the services of these conglomerates;
- iv. A special distinction was made in relation to the level of risk posed by cryptocurrencies. Due to the absence of a tangible asset base on which to determine its value and consequential price fluctuations, the regulatory bodies issued an advisory on the lack of recourse open to persons investing in such enterprises; and
- v. It appeared that there was risk aversion towards the purchase of cryptocurrencies and low reporting of suspicious activities associated with its purchase according to reports made to the **FIUTT**.

Challenges to implementation

- i. Though a survey to identify a national base for financial inclusion was being effected by the *Trinidad and Tobago International Financial Centre (TTIFC)* in anticipation of a Strategic Plan, the lack of such a guiding document and primary advocate to drive the wider implementation of Fintech was palpably noticeable;
- ii. The **Ministry of Finance**, however, provided indication of their forward planning with respect to the rollout of online payments in Ministries, Departments and Agencies in partnership with the TTIFC. Thus far, large receivers of revenue had been engaged and entities such as the Judiciary were already accepting online payments with the aim being to digitalise all payment systems inclusive of tax payments;
- iii. A road map identifying the timeframe for completion extended to December 2022 but the lack of access to software for the facilitation of online transactions was a major stumbling block hindering the advancement of smaller Ministries. It was in this respect that the Ministry of Trade was invited to assist the Treasury Division in providing this access through the *Single Electronic Window*. The fact that the will to implement online payments was based partly on entities' own volition and preference may also have impacted on the timeframe for implementation;
- iv. The **Ministry of Finance** acknowledged that whilst there were a number of initiatives steering the direction of Fintech inclusive of an established working group, the submission of progress reports and even incentives for Fintech development, overall progress was slow;

- v. Whilst it would be a worthwhile endeavor to examine the sufficiency of the legislation to penalise criminal action in the realm of Fintech, the actual capacity to enforce the law in an efficient and transparent manner was outside of the remit of the supervisory authorities;
- vi. The **FIUTT** also cited human resource capacity constraints as being a challenge to the wider application of Fintech. With just eighteen compliance officers in their department, the expansion in the number of businesses in need of monitoring would not only be a burden on the existing staff but would require them to develop subject specific knowledge as well;

ADJOURNMENT

10.1 The Chairman thanked Members, staff, the viewing/listening public and adjourned the meeting.

10.2 The meeting was adjourned at 12:52p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

March 18, 2022

**EXCERPT OF MINUTES OF THE ELEVENTH MEETING
JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS,
12TH PARLIAMENT
HELD ON FRIDAY MAY 27, 2022**

The Meeting was held virtually via Zoom

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Hassel Bacchus	Member
Mr. Keith Scotland, MP	Member
Mr. Terrence Deyalsingh, MP	Member
Ms. Jayanti Lutchmedial	Member

ABSENT/EXCUSED

Mr. Marvin Gonzales, MP	Member
Mr. Saddam Hosein, MP	Member

Secretariat

Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Researcher
Ms. Nicole Brown	Researcher

**PUBLIC HEARING PURSUANT TO AN INQUIRY INTO THE IMPLEMENTATION OF
A REGULATORY FRAMEWORK FOR THE DEVELOPMENT OF FINANCIAL
TECHNOLOGY (FINTECH) AND E-PAYMENTS**

9.3 The meeting resumed in public at 10:01 a.m.

9.4 The following persons joined the meeting:

Fintech Association of Trinidad and Tobago

- | | |
|---------------------|-----------------|
| 1. Ms. Maria Daniel | President |
| 2. Ms. Helen Llanos | General Manager |

Trinidad and Tobago International Financial Centre

- | | |
|----------------------|---|
| 1. Mr. John Outridge | Chief Executive Officer |
| 2. Mr. Carlos Newton | Manager, Financial Systems Service Delivery |

WiPay Limited

- | | |
|-------------------------|-------------------------|
| 1. Mr. Aldwyn Wayne | Chief Executive Officer |
| 2. Mr. John Mollenthiel | Chief Strategy Officer+ |

Opening Statements

9.3 The following officials gave brief opening remarks:

- | | |
|-----------------------|-------------------------|
| i. Ms. Maria Daniel | President |
| ii. Mr. John Outridge | Chief Executive Officer |
| iii. Mr. Aldwyn Wayne | Chief Executive Officer |

Key Issues Discussed

9.4 The following are the main issues arising from the discussions:

The following are the main issues arising from discussions with the **Fintech Association of Trinidad and Tobago**:

Situational Analysis of Fintech in Trinidad and Tobago

- vi. Trinidad and Tobago has a large under-banked population.
- vii. Fintech involves using technology as a vehicle to deliver financial services.
- viii. In 2020, *FintechTT* explored how to include Fintech more prominently in Trinidad and Tobago's financial landscape.
- ix. One of the major goals of Fintech is financial inclusiveness.
- x. Current regulations may not always capture Fintech operation.
- xi. For a Fintech Company to work, there must be widespread adoption.
- xii. As part of its public education strategy, *FintechTT* plans to host a "hack-a-thon" at the end of June 2022.
- xiii. For a digital economy to work, there needs to be an improvement in the National ID system.
- xiv. State entities will need to be the main drivers for Fintech adoption in the Caribbean given that the Government is the largest employer and has the largest number of customers.
- xv. Misinformation is a major problem inhibiting Fintech adoption.
- xvi. There has been greater adoption of online banking in the past 6 months.
- xvii. The Government and Private Sector need to work together to facilitate greater adoption of Fintech.

The following are the main issues arising from discussions with the **Trinidad and Tobago International Financial Centre**:

Introducing Fintech to the Trinidad and Tobago Landscape

- i. The mandate of TTIFC changed in April 2021 to focus on the following:

- increasing financial inclusion via Fintech;
 - driving the digitization of payments across the public sector;
 - allowing Ministries, departments and agencies to leverage Fintech technologies, as it relates to receiving revenue, as well as disbursing funds to citizens; and
 - establishing Trinidad and Tobago as a Fintech-enabled hub.
- ii. Regulations are needed to govern a new operating model for Fintech companies.
 - iii. In 2020, reduced Know Your Customer (KYC) measures facilitated more people being able to open bank accounts.
 - iv. Trinidad and Tobago has a high number of bank accounts. However, usage is low.
 - v. Given that Trinidad and Tobago is primarily a cash-based society, there is a need to understand the reasons for low use of financial products and services and a need to understand how to promote the use of Fintech and build trust in the systems.
 - vi. Making the use of cash unattractive for Public Sector transactions has the possibility of reducing instances of money laundering.
 - vii. There must be trust in the security of technology used to conduct financial transactions.
 - viii. Legislation allowing for the acceptance of digital signatures will facilitate wider use of Fintech.
 - ix. Financial literacy must be included in the promotion of Fintech.

The following are the main issues arising from discussions with **WiPay (Trinidad and Tobago) Limited**:

General Overview

- i. WiPay is the Caribbean's largest payment facilitator.
- ii. The company moved its headquarters to Jamaica because, according to the CEO, the ease of doing business was better when compared in Trinidad and Tobago.
- iii. WiPay was successful in partnering with the Government of Trinidad and Tobago to facilitate payments to the courts via the CourtPay system
- iv. While banks provide financial services, Fintech companies focus on developing and using the technology to facilitate these services (for example app development). There needs to be greater collaboration between the Financial and Technology sectors.
- v. There must be a robust regulatory environment to support the development of Fintech.

ADJOURNMENT

10.1 The Chairman thanked Members, staff, the viewing/listening public and adjourned the meeting.

10.2 The meeting was adjourned at 12:03 p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

June 22, 2022

APPENDIX II

VERBATIM NOTES OF THE TENTH VIRTUAL MEETING OF THE JOINT SELECT
COMMITTEE ON FINANCE AND LEGAL AFFAIRS HELD (IN PUBLIC) ON FRIDAY,
MARCH 18, 2022, AT 10.06 A.M.

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Keith Scotland	Member
Ms. Jayanti Lutchmedial	Member
Mr. Terrence Deyalsingh	Member
Mr. Hassel Bacchus	Member
Mr. Marvin Gonzales	Member
Mr. Saddam Hosein	Member
Mr. Julien Ogilvie	Secretary
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Ria Rampersad	Graduate Research Assistant

MINISTRY OF FINANCE

Ms. Suzette Taylor Lee Chee	Permanent Secretary
Ms. Catherine Laban	Comptroller of Accounts
Ms. Nelisha Bally	Deputy Comptroller

CENTRAL BANK OF TRINIDAD AND TOBAGO

Dr. Alvin Hilaire	Governor and Chairman
Mr. Alister Noel	Senior Manager, Operations
Ms. Leslie Ann Des Vignes Markets Infrastructure Department	Asst. Mgr. Payments and Financial

TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Ms. Lystra Lucillio	Chief Executive Officer (Ag.)
Mr. Sugrim Mungal Planning	Manager Policy, Research and

FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO

Mr. Nigel Stoddard	Director (Ag.)
Mrs. Kylene Dowden	Director, Legal Services

Mr. Kevin Radix

Supervisor, Compliance and
Outreach

Madam Chairman: Good morning everyone. I would like to welcome all of you, starting with the viewing and listening audience, to the Tenth Meeting of the Joint Select Committee on Finance and Legal Affairs.

This morning we are commencing our public hearing, our first public hearing in this issue, into an enquiry into the implementation of a regulatory framework for the development of financial technology and e-payment. Financial technology, fintech, it is a new concept, a new word for many of us, and what you would find in this area that certainly it has widened our vocabulary, all the various new terms that we have met in this area.

So today the Committee is convening the first public hearing, pursuant to its enquiry into the implementation of a regulatory framework for the development of financial technology and e-payments. So I am saying the first because we are going to have a follow-up to this enquiry that we have commenced today, next month. So we are inviting the audience, those who are listening and viewing, to post or send your comments via the Parliament's various social media platforms, Facebook page, *ParlView*, the Parliament's YouTube channel and Twitter.

I would like to welcome officials of the Ministry of Finance, Central Bank, Trinidad and Tobago Securities and Exchange Commission, and Financial Intelligence Unit of Trinidad and Tobago, who are appearing before us this morning.

I am the Chair of the Committee, Hazel Thompson-Ahye, and I invite now other members of the Committee to introduce themselves.

[Introductions made]

Madam Chairman: That is it? Thank you members.

As you may be aware, the former Vice-Chairman of the Committee, Mr. Clarence Rambharat, resigned as a Minister and Senator on March 16, 2022. He has been on this Committee for some time, and I would like to take this opportunity to record this Committee's gratitude for his contributions, and wish him all the best.

I particularly wish to thank him for his assistance to me as Vice-Chairman throughout the time that I have sat here as Chair. I place great value on his contribution. Well, we do not have a Vice-Chair, and you know as Penguin sang, a deputy is essential, so the next meeting we should have a Vice-Chairman. I do not know as yet who that would be. But Mr. Clarence Rambharat, I thank you from the bottom of my heart for all that you have done, what you have brought to this Committee and the assistance that you have given to me as Chair. I certainly will miss you.

The enquiry objectives are one, to determine the extent to which fintech is available for use in the local economy and projections for its growth, and two, to examine the challenges that may arise with greater fintech use and the sufficiency of regulatory measures.

I now invite the officials to make brief opening remarks. Ministry of Finance, Ms. Suzette Taylor Lee Chee.

Ms. Taylor Lee Chee: Madam Chairman, on behalf of the Ministry of Finance team, I thank you for your invitation to appear at today's meeting, and welcome the opportunity to participate in this discussion on the progress towards implementation of a regulatory framework for fintech and e-payments. While we are in the early stages of implementation, I can say that facilitating e-payments in its various forms and modalities has been a key area of focus for the Ministry of Finance, especially over the last two years.

We have submitted written responses to questions posed to us by the Committee, and stand ready to provide any additional clarification of information that the Committee may require. Thank you.

Madam Chairman: Dr. Hilaire, Governor and Chairman Central Bank.

Dr. Hilaire: Thank you very much, Madam Chairman, and a happy Friday to all. First of all, I would like to congratulate the JSC for choosing this very important topic. We think it is very timely and the value would be immense, particularly in the situation we are with the pandemic, where social distancing and restrictions on mobility are a fact of life.

We think the JSC's work will also help to focus national attention and foster clear consideration and collaboration on a topic that is very complex but inevitable for us all. With respect to your objectives, if I am to summarize our perspective, we think that the use is at early stages in Trinidad and Tobago. The framework is being established. There is a lot of interest and lead, and we expect rapid pervasive growth.

On the challenges on regulation, we think there is a sound infrastructure already in place, but it needs to be bolstered on the legal and technology side, but we need an educated public, appropriate supervision and a regulatory framework and base for collaboration. Like all countries, we need to evolve to keep pace in this area. Thank you very much.

Madam Chairman: Ms. Lystra Lucillio, Acting Chief Executive Officer of Trinidad and Tobago Securities and Exchange Commission.

Ms. Lucillio: Good morning and thank you, Chair and all the members of this Committee for inviting the Trinidad and Tobago Securities and Exchange Commission to this enquiry. I relay the gratitude of our board and the staff, to provide the comments of fintech development in Trinidad and Tobago, with specific focus on the securities industry.

Fintech is an area ripe for development and roll out in Trinidad and Tobago, and as we can see from our jurisdictional country members, they have been rolling out certain aspects of it within their jurisdictions with much success. It is something that, for us to be able to move forward, we need to look at the digital identities and the requirements for AML. We need to assess the risk associated with it, but also we need to be in a place for us to understand completely what we would be rolling out, and what we would be making available to the country as well as the market.

I thank you and I look forward to our discussions.

Madam Chairman: Thank you very much. Now, we have Mrs. Kylene Dowden, Legal Services from the FIU, Financial Intelligence Unit of Trinidad and Tobago.

Mrs. Dowden: Good morning, Chair, and thank you on behalf of the Financial Intelligence Unit of Trinidad and Tobago for the opportunity to present at this Joint Select Committee on Finance and Legal Affairs to address the objectives of the Committee concerning the implementation of a regulatory framework for the development of financial technology and e-payments.

The Financial Intelligence Unit of Trinidad and Tobago acknowledges that the rapid growth of financial technology presents many opportunities for the development of the financial sector within this jurisdiction. However, it also recognizes that these new technologies can be misused for illicit purposes, including money laundering, the financing of terrorism and proliferation financing.

In fulfilment of its mission to effectively detect and deter money laundering, terrorist financing and proliferation financing, the FIUTT is committed to collaborating with the other regulators at the table here this morning and, of course, any other entity which may be appropriate for us to collaborate with for the

effective supervision of fintechs and towards the common goal of maintaining a safe and stable financial, social and economic environment in Trinidad and Tobago.

We look forward to our discussions here this morning, and we have also presented the Committee with written responses, and we are ready to answer any additional questions you may have. Thank you.

Madam Chairman: Thank you very much, Mrs. Dowden. Before we commence the questioning, we will have our members just identifying who they are so you will know who will be questioning you. So let us begin. Members, state your name.

Ms. Lutchmedial: Good morning Chair, again, Jayanti Lutchmedial, member. We are starting with the Central Bank, correct Chair?

Madam Chairman: Yes please, go ahead.

Ms. Lutchmedial: Good morning again everyone, and thank you so much for attending our meeting today. Let me just start by asking the Central Bank, we want to get right into the regulatory challenges with fintech. You have noted that, of course, some of the providers of fintech would not be defined or captured by the definition of “financial institutions”.

Now, before you jump into that, could you from your perspective and for the benefit of the viewing and listening public, break down what exactly is fintech, and give us some very – as simple as possible, for the average lay person, some explanations about what this concept of fintech really entails, because we start hearing about blockchain, and cryptocurrency and e-payments, and people tend to conflate all of these concepts together and think that it is all one and the same. So if you can break it down for us, and then get into what really presently is the reach of the Central Bank in terms of regulating any of these types of services and what you have in place so far.

Dr. Hilaire: Yes, thank you very much. I mean, the fintech thing is really difficult to narrow down because it is a continuum of issues. But basically how we look at it, and I think the world looks at it, is that you have a tremendous growth in technology over the last few years. You have blockchain, you have distributed ledger, you have all these different things, all these acronyms and jargon that I am talking about, but what they really do is to make financial transactions much easier to effect. In other words, you can move money from one place to the next, from you to your mother, father, aunt, brother, sister very quickly, to the Government or to or from the Government via taxes or transfers, or to and from businesses. So financial technology allows rapid movement of funds. So this is the key characteristic I would like to say.

For the Central Bank, the two characteristics that are most useful for us, they are, one, that they tend to involve companies that we do not regulate, so we have to learn about that, insurance companies, pension funds, commercial banks. Two, they are involved in financial engineering that is rapid and that we have to try to understand. Some of it is unfamiliar to us. So these are the two characteristics. I know it is a complex issue, but I tried to break it down like that.

In terms of our regulatory approach, we are focused on two things. One, enabling an environment that allows this to foster because we think it is quite important for people to be able to use technology that is affordable, that is available, that is understood, and that is pervasive, but they need to be protected. So our role is to help to provide an enabling framework, but a base of supervision that is not constricting but that allows activity to be conducted in a safe manner. So we try to understand the governance frameworks of the financial institutions, how they would conduct their business, that they are fit and proper and all of those things, and then we also rely on other regulators, because we cannot do it alone. You have the Securities and Exchange Commission that looks at the investment aspect. We have the FIU that looks at money laundering. We have the tax people that look at all of those things. Then we have to bolster it now,

we think, by infrastructure. So the communication infrastructure must be sound, and then we would be able to have things move along.

One important thing that is critical is education. People must be able to understand what they are getting into, the risks involved and their capacity or areas that they could go to for redress if they have a problem. So I do not know if I have made it a bit simpler, but I am open for elaboration.

Ms. Lutchmedial: So I understand what you are talking about when you posed some of the challenges, but specifically, you know, you talk about the rapid movement of funds and you all want to create an enabling environment. Are you all presently equipped to regulate persons who want to participate in this environment, and when I say “equipped” I mean legislatively, technically? Do you have the legislative oversight? Are you empowered to regulate this sector in any form or fashion, one, and secondly, do you have the knowhow and the technology and the capability to do it?

Dr. Hilaire: On the legislative side, I think we have a decent framework. One of the things that was missing was even just a definition of “fintech” and “e-money”, electronic money for those who are not familiar with it. In 2020 in July the E-money Issuer Order was enacted, so that allowed a good definition and gave powers to allow us to operate in a new framework. So we think that the legislation is there. There may be some things that you need to tinker with, but basically we think that there is a decent framework. We think the education also needs to be bolstered.

With respect to your specific question on our capacity, I think we are starting off from a good position. We are used to at the Central Bank, our supervisory team, managing insurance companies, banks and so forth, so that gives us a good base for our operations. We know how to do this thing, and we are experienced in watching our balance sheets and so forth. So that is a good base, but the world is different, and the fintech world is so dynamic that we must recognize that we are still catching up. We are trying to do our best. I must say we have a bias towards control and keeping things, so we have to, I guess, to wean ourselves away from that. How are we doing that?

One of the things is educating ourselves, so we talk a lot to the international organizations. We have a fintech team on the regional front. We talk to the IMF. We look at different areas, and then we have also focused our attention internally on organizing ourselves appropriately. So while fintech’s supervision as well as payments was in our supervisory department, but we moved it at the beginning of our financial year, October the 1st, 2021, to a brand new department, which is financial, that deals with payments and financial issues and so.

So you have Alister and Leslie on the call, they are in charge of that department. So we are equipping it with the right people, the legal people, the administrative people, and trying to get a deep understanding of it. But we also need to recognize that we have to be humble and to learn. So our engagement with fintech companies have been quite invaluable in getting us to understand this. So I say yes we have a strong base. We need to evolve, we are prepared to do so, and I think we have the right approach, and I think over time it would get better.

Mr. Deyalsingh: Thank you, Madam Chair. If I might be permitted to ask a question please?

Madam Chairman: Certainly, member Deyalsingh.

Mr. Deyalsingh: Thank you, and thank you very much to all the participants, Ministry of Finance, Central Bank and SEC. Dr. Hilaire, my question to you is, to jump off on legislation and education, is the public aware that the Exchange and Exchequer and Audit Act has been amended—I believe it has been amended—to make e-payments from members of the public to different state agencies possible? If it has been amended, has it been rolled out for all services? Because I know at the Ministry of Health we would

like it to be rolled out through TTBizLink for companies and individuals paying fees for new drug registrations to be able to be done so online, and you mentioned the issue of an educated public, and I think this is important. You really hit the nail on the head.

How informed is the public that if the Exchequer and Audit Act has been amended, is the man in the maxi-taxi really aware that the amendments have been made? If they have been made, what does it mean for them for paying their fees very easily, and how do we go forward now with really entrenching e-payments in the public psyche? Thank you very much.

Dr. Hilaire: Thank you very much for your question, Senator. The Exchequer and Audit Act, I believe, nobody knows what this is about, and I think only people would only care if it affects them, because it is an abstract concept. That is my view. I mean, the parliamentarians, the lawyers and people who are in the know would be aware, but for the man in the street this is just abstract. What does it mean?

We know that recently 1,836 cheques were stolen from the Sangre Grande Post Office. That is what grabs people's attention. What happened then? Well, the Ministry had to issue notification that these cheques could bounce and so forth. This is what captures people's attention. Madam Chairman, 1,836 families were affected, they could not get their grants, and then worse, apart from that, the Ministry had to kind of shut down the capacity of, what you call it, the supermarkets and the hardwares, to encash these cheques because of fraud concerns.

The point I am making is that it is when something is relevant to people that they would understand it. I believe that education is important. At the Central Bank we have our national Financial Literacy Programme, and we are focusing on different areas, including in fintech to boost this. I think more education can help people, but the point you made about apart from the education, about people using the e-government services, I think that is quite critical, and to extent that this is in place, I think it would help a lot in the transfer of Government support to disadvantaged groups, the disabled, the retirees, et cetera, in a seamless fashion, and I think fintech offers that opportunity and we are here to support in that venture.

Madam Chairman: You have with you, Dr. Hilaire, Mr. Alister Noel and Ms. Leslie Ann Des Vignes. Could I see them?

Dr. Hilaire: Yes.

Madam Chairman: Now, I suspect, I may be wrong, but I suspect that there might be people out there listening to us, because we have a wide array of listeners and they come from all segments of society and I always have a particular concern for people who are not as well educated as others.

I do not think we have a high degree of financial literacy in this country, so when people put on their television or their radio and they are hearing "fintech" and they hear us speak, they may not be aware that this topic has significance in their daily lives. So if a member of your group can now just take two minutes to explain how, in fact, this topic is not at all remote in their lives and they are actually using fintech, and not been aware that that is what we are talking about. I am concerned that people may not have this consciousness. So will one of you do that for me please?

Mr. Noel: Good morning, Chair. I will attempt to at least reach the group that you would like to reach. We can look at it as service of convenience. There is a global move to get to a cashless, or reduce the amount of cash used in a system, and fintech enables this kind of status we want to be in. So the man in the street, what does it mean?

It means that if you have workmen, individuals coming to your house and you have to make a payment, you would not have to go out to ATMs to pay them. They have certain services that you could want as

offered by most banks. If you know the account details, you can pay them online, or too, there are a couple of proposals and solutions coming in there, where they offer you what is considered like electronic wallets. So, therefore, once you can identify that service provider, where that service provider—how he wants to get paid, you can do it with ease. You do not have to go to the ATM, you do not have to think about cash, it is safe, it is secure.

These are things that I am sure most people would look at more developed countries and they would see these things. It is just on the Central Bank end, one of the things we want to do is for you to have some high confidence in these services. A lot of the banks offer online services now, or commercial banks that are regulated by the Central Banks. Now you have some companies that are not banks, they are technology companies that delve into this area, especially of payments. They may also get into securities, but I just want to kind of stay to the group that you want us to talk to. They would provide solutions that would make payments more convenient to you. Having said that, you want to ensure that it is, one, you have a secure technology. You have that confidence that that money is sent out, that person will receive it, and you have some protection of your information and the funds that—or the value you have in your possession, and whatever electronic platform you are using. So, basically that is what, for the man on the ground, that is the ease that fintech could create in their lives, and would be hopefully of better use.

So, therefore, what does that mean? “Yuh doh ha’ to worry” about counterfeiting of currencies. It is a safer issue. You do have to keep cash on you in that kind of manner, and you reduce your fees.

I do not know if I would have, Chair, answered your question, but I just gave you a flavour of it. I could elaborate if you—

Madam Chairman: Yes, certainly, and you could see the situation where somebody wants to buy a car, and you do not got and meet this person in some remote place to pay over cash, when they can actually do it another way by online payment, things like that. So it does affect people. It is paying T&TEC and WASA and all of these things. So thank you.

Madam Chairman: Mr. Scotland had his hand up?

10.35 a.m.

Mr. Scotland: Yes. Chair, I do not want to interrupt member Lutchmedial, so I am in your hands relative to whether I can proceed.

Ms. Lutchmedial: Sure. Go ahead, member. I defer to you.

Mr. Scotland: Right. This is for the Central Bank in particular. Chair, through you, may I ask, how does the Central Bank see, firstly, the categories of fintech being at all beneficial with respect to our local scenario and our local situation in Trinidad and Tobago? That is the first issue. Can I ask, what will be the benefits? And then I will go into my main question.

Dr. Hilaire: Yes. If I may start the responses. Thank you for that question. I think the benefits are tremendous and the main thing is speed or potential benefits, speed and security of transactions and reach of transactions. So you could move money from one place to the next very quickly to, as I said, to your cousin, to your friend whether they are here, whether in Germany, whether they are in Ukraine or so, you could move it securely and you could move it potentially without a lot of cost. So that is one underlying benefit.

Now, just—I would say that this is the current set of fintech transactions are focused on movement of funds or spending. But a lot of fintech now is on credit. So what you find in particularly in African countries,

people either to get funds very quickly to improve their plant and equipment and so forth without having to go through the traditional financial infrastructure that may be very difficult. I am using international examples, so forgive me, but they are related to our scenario. Overall there are about 1.7 billion people now without access to bank accounts. Small and medium enterprises are 95 per cent of all the companies in the world and they hire 60 per cent of workers. So you see how small and medium enterprises and access to banking accounts are related. But most of the SMEs have very large hurdles to cross to get finance. Fintech could offer to bridge that gap. So what I talked about is the transactions or, let us say, the spend, moving money, then the credit and later on I think we would get into areas such as insurance, savings and investments.

So I think now one particular area, as I just want to get back to the thing about the cheques is, in a pandemic the Government naturally has to be able to deliver high quality and rapid support to disadvantaged groups. With a mobile wallet you could do that immediately. They get it on their phones, they do not have to worry about going to the bank, they do not have to worry about – so it could move and they could spend it, they could buy gas, they could, you know, pay somebody else to “mind dey children”, as we like to say, and you could do it very quickly. So I think it offers a lot of potential and I think we need to embrace that. But as Alister was saying, you need to have a supervisory framework that is appropriate to avoid the risks, to make people understand what is happening and to really take care of certain issues that – novel issues such as cyber-attacks and data in security and so forth. But I think the potential is tremendous and it will reach the people directly, particularly and in the area of transfer of government funds to the disadvantaged.

Mr. Scotland: Right. Chair, the issue that I—I have looked at, the Central Bank does have regulatory and fiduciary duty to have oversight also with banks. I am talking now about the private banking sector. How does this new approach, how does it mesh with the current existing private banking sector in Trinidad and Tobago?

Dr. Hilaire: Yes. Perhaps I could start and my team, you know, could elaborate it, if they wish. It is intimately linked because we are talking about movement of funds and traditionally the banks are the ones that are specialized in that area. So, one, it offers potentially some competition, the banks. Because they could say wait a minute, money is moving out and I am not getting a cut out of that. I am losing out. What is the response of the banks? Well, they do two things. First of all, they join the club. So they embrace fintech technologies in their own operations. So you know now the banks are moving people more to online platforms and all of that is in the fintech direction so they are joining that to try to deal with the competition. But also they are embracing the complementarities because some fintech firms now have a reach that they do not have, so they join with fintech firms to complement them. And some of the fintech solutions, as maybe we will discuss later, are actually going through banks. So it is either they embrace it one way by doing their own fintech schemes or working with existing fintech providers.

So in terms of our role now as the Central Bank, we have to be aware of that and monitor what the banks themselves are doing in that area—be concerned about something called, it is a big term but it is called regulatory arbitrage where people will try to get the lowest regulation and insert themselves into that. I am talking about companies trying to—so we have to look out for that to make sure that people are secure. And then as we get into managing more fintechs directly, then we look at the complementarities and so. So it is a holistic approach and I hope I have kind of addressed something what you were asking.

Mr. Scotland: Chair, I would defer to member Lutchmedial and you, and would crave your indulgence to come back to my other issue, questions please. I do not want to hijack the —

Madam Chairman: All right. Thank you very much. So we will have member Lutchmedial followed by member Marvin Gonzales.

Ms. Lutchmedial: Thank you very much, Chair. Chair, through you, I have a lot of questions coming out of what, of that discourse with—prompted by member Scotland. With respect to the rapid movement of funds, whilst there are many benefits, there is also a substantial amount of risk. Now, you know, you talked about the traditional banking sector, we talk about risks. So let me put my questions to you and you can take them one by one. The first thing is, risks involving, you know, fraud, money laundering and so on, what is the Central Bank doing to mitigate against those risks where you have fintech being deployed? You know, we have also issues and I am concerned about this. When you have firms participating in this fintech environment that are not local but are international, where does—how does the Central Bank, you know, you mentioned having dialogue with them, but how far is your reach in terms of monitoring and, you know, regulating these participants in that space?

And then I have a question with respect to de-risking by the traditional financial institutions because we have noted for some time that because of the AML/CFT measures, that a lot of banks have embarked upon some de-risking and they have been, you know, what is the word for it, un-banking some of their clients. In the—I think this Committee or another committee I sat on we heard from the SME sector about the challenges that they have faced with the traditional banking sector. If this, the availability of fintech financing, credit, all of that is going to, you know, provide an alternative to the SMEs which are particularly vulnerable, what is the Central Bank contemplating in terms of protection? Because I will tell you this.

This is a country where people line up outside the bank on the last Friday of every month to cash their cheques. But those same people will also get an email that a Nigerian prince left them a significant inheritance and they just need to provide two forms of ID in order to get it. And I think we have really big challenge on our hands and I think that it falls to our regulators to really embark upon some aggressive action to protect members of the public from themselves. Because essentially when you listen to the stories, and I have heard many of them over the years in various incarnations that I have been in, some of the things that people do willingly and voluntarily get themselves into are really, you know—and there is something sexy about all of this fintech and cryptocurrency and things that people just seem to be drawn to. And as I say, these are the same people who line up and cash a cheque by a grocery or something else. But they seem drawn to these types of things and it is attractive. So how are the regulators going to really save these people from themselves in the absence of a really stringent legislative and regulatory framework?

Dr. Hilaire: Yes. Thanks very much. I will try to answer it, as I have it in four sets of questions: one, on risks; two, on international entities; three, on de-risking and fintech; and four, on protection and the nature of people being seduced by this activity. On the first point, yes. That is a very important thing because if you move it, you move funds quickly and anonymously, well, you really open up yourself up for a—

Ms. Lutchmedial: Money laundering. That is money laundering.

Dr. Hilaire:— money laundering and all this—

Ms. Lutchmedial: Tax evasion. Yes.

Dr. Hilaire: Exactly. So and it could be very quick. So we have already an established framework for dealing with the commercial banks and the traditional insurance companies on this, et cetera, so this will be part of what those involve. We continue, we have a whole department or a division in our supervision department on anti-money laundering and so forth. We work very closely with the Financial Intelligence Unit on moving this thing along.

So fraud and all of those areas, we work very closely with our co-regulators and we try to engage with the traditional institutions now, on credit risks and those sort of things and that model will carry us over when we have to regulate the fintechs.

Just as a related matter on the whole issue. The fintech thing is not new. It was exacerbated or kind of brought to greater attention during the pandemic. But the international cooperation of which we are a part is long standing. For example, in 2018 we had this collaboration among virtually the whole world at the IMF World Bank meetings in Indonesia called the Bali Fintech Agenda. And at that meeting the IMF and World Bank led the story but with other regulators and other institutions and countries to propose a big agenda for the world that was focused on several things. But it really it sets out 12 elements related to four main buckets: one is enabling fintech; two, ensuring financial sector resilience; three, addressing risks of which you talked very eloquently about; and four, promoting international cooperation. So in this area of risk, just to summarize, we have a framework that we will extend to others but work with the co-regulators and we are part of the international community that is addressing this.

On the second matter of international entities, yes. Most of the things come from abroad because people are linked in, you have your account outside, you buy stuff from, you know, Amazon or so, then you are into fintech, you might have PayPal and so. We do have a limit on what we can do with international, big international companies. We must recognize that. We may not have jurisdiction over them and we may also not be able to prevent people from engaging with them because if you have to have a transaction to buy anything, you may need to do it. The two things that we will do in that or continue to do is, one, education, so people should, at least, be aware of their – of what they may be getting into and the risks involved and that they may not have redress on the local front. So, I would admit that we would not be able to, let us say, manage all international companies that have fintech products that locals may want to get involved in.

With respect to the de-risking matter, yes, this is a huge issue on the international scene as well as the domestic scene. Internationally, we would know that even the Caribbean was at the forefront of telling the global community that, listen, international banks are saying small countries are risky and therefore they are cut off from international finance. So that has translated into the domestic sphere and local spheres generally where banks or financial institutions that want to either make profit because they say, “Well, you know, this guy is too small, I do not need to work with him”. Or they want to be so safe because their head offices are saying, “Listen, you have to have people that, you know, are pristine”. “They have to have good character, they have to have financial accounts.”

But the flip side of it, is that many people may not – they may be excellent people, good souls and so forth but they do not have a track record of financial, you know, knowledge or financial transactions so they could be left out. So de-risking is a big issue. What we have been emphasizing to the commercial banks in particular, you need to look at those things.

Recently we talked to them and the Ministry of Finance was part of that endeavour to reduce some of the restrictions, you know. You have to have two forms of ID, all this sort of thing, to kinda lower the barrier while not increasing their risks. But we also tell them, well, listen, in Trinidad and Tobago you have a responsibility to be part of a national financial inclusion exercise. So for cashing cheques for pensioners and so forth, please be aware of that and make special effort to embrace the young and the people who may not have access to an account.

The fourth aspect you talked about is protection. How do we protect? Well, again, we try our best to educate. Where there is legislation we could use that. We have a bunch of controls, we have guidelines, we could take away people’s licences. But we do not want to do it in a strangulating fashion. We want to be able to do it in a responsible fashion and we are learning but we have many of the tools. But to the extent that there needs to be some shoring up, we would welcome that.

And the last thing, yes, the fintech is seductive. You see all these things on TV. You could do this very quickly, “doh” worry about it. Just put in your number and you get money, “doh” worry. Yes, there is an attraction to it. Education, we think, is the key. We will continue to work with it and I think all arms, you know, the Government, the Parliament whatever would embrace that and the other regulators so that everybody kinda understands you can do it but there may be risks and you have to be aware of that and then take the necessary precautions. I mean, I went through a lot. I do not know if we want to –

Ms. Lutchmedial: Yeah.

Dr. Hilaire: I need to elaborate.

Ms. Lutchmedial: There is just one thing I wanted to ask about with – you touched on it. It is the simplified due diligence requirements. And from my personal experience what I have found is that the, and you mentioned the banks who, you know, look at what their head office is looking at. When you have the traditional financial institutions that have an international presence and they are guided by the guidelines and regulations and the compliance programmes of their parent companies which are out of the jurisdiction, they tend to be out of touch with the reality. The reality of Trinidad and Tobago is that some people still are operating with light pole number. The reality is that some people do not have an electric bill or a utility bill in their names and these are the most vulnerable people in society and they are ones who we are seeing are being unbanked because of the risks and because of the stringent requirements.

So I, just by way of comment, I think that the requirements in the law which are there in the law and it is recognized internationally by FATF and so on for simplified due diligence, I think that the regulators need to do more to perhaps persuade the traditional financial institutions to not simply de-risk by un-banking people and pushing them now in the direction of trying to use fintech which they themselves may not really truly understand the risks involved. So that is just my first comment.

The second thing is, when you are participating in forms of fintech you often – there is some mechanism that you have to use in order to get into that system. Whether you are using, okay, something as simple as, let us say, PayPal. Right? That is a very, very simple example of something that has been around for a while. Right? And I am using simple because this may be the one that I probably understand. I do not even understand all of this stuff. But I – if you have to put money into a PayPal account which you could then use because you do not have a credit card, you have to have a mechanism or it has to be like a credit card or something local through a financial institution here to get that money into your PayPal account which you could then use on different websites and all of that.

So, are you all considering the greater scrutiny or asking the traditional financial institutions to exercise a greater level of oversight and scrutiny in terms of the types of transactions that people are embarking on in order to capture where people may be getting into something that is a little bit risky and so on. Because the banks have the ability. I will give you an example.

If you do three successive transactions for the same amount of money at one particular local bank, they block your card. And I had that experience myself, much to my dismay. Because, you know, they want to know, well, why are you withdrawing the maximum amount in each transaction three times in a row. And it was, well, I need “meh” money. Right? But they will do it. So they have set things up.

If the banks, for example, take note of someone wiring money to a particular thing or transferring funds via a credit card to some online platform or something like that, is there a mechanism that the Central Bank could use or can you, at least, use your moral suasion, which I know has become a dirty word in regulation, but your moral suasion to sort of encourage the banks to, as we say, protect people from themselves and to capture these things and also to perhaps report them because they may be linked to attempts to launder

money or evade taxes and all of that. Is that something that you think is possible from the perspective of a regulator?

Dr. Hilaire: Yes. Thanks again. With respect to your first thing on simplified due diligence, I agree with that wholly. I think sometimes in Trinidad and Tobago we have too many, too many things to write down, too many things that may be unnecessary. So I believe we can simplify where it is appropriate and we can also talk to people about how – about reasonably putting things in place because you do not want to know who your customers is. You do not want to have, you know, nefarious people involved in your business. But you have to be aware of circumstances. So I think a more concerted approach to looking at exactly what is there, what are the requirements and peering it down where necessary. I agree with you wholly on that front. With respect to the – sorry?

Madam Chairman: No. Go ahead. I thought you had finished.

Dr. Hilaire: Oh, no. No. Sorry. It was a two-part question. So with respect to the things on PayPal on scrutiny. I think we do encourage the financial institutions and I think they do have it within their objectives to scrutinize not only – or not only to note the value of transactions but the pattern of transactions and to be able to work out if there are any things that draw attention to themselves because you could have somebody that is saying that there may be a limit on something of \$10,000 and they just go to, well, they just do 9,000, 9,000, 9,000. So you have ways of circumventing things. We will be working with them to look at credit carefully.

Our money laundering team is not just looking at numbers but looks at how things are done. And the FIU also looks at how things are done. So yes, I agree. We could, we will continue to do that. Of course, you have to have a balance that – because you do not want them to stifle things but we want to be able to have informed understanding and be able to detect patterns of illegal activity.

Madam Chairman: Thank you, Dr. Hilaire. Now can I have, it is member Mitchell's turn – want to ask his question? If not, we will take –

Mr. Gonzales: Gonzales.

Madam Chairman: –Gonzales. Sorry.

Mr. Gonzales: Yes, Chair. A lot was said a short while ago. But I take note of what Dr. Hilaire said and everything that he had to say on this particular matter and, you know, I am forced to ask the Ministry of Finance officials or even Dr. Hilaire if he can answer the question whether or not there is any potential benefit for the public service or state enterprises to utilize fintech services in order to expedite and to make more seamless, you know, transactions being conducted by the public service, as well as the state enterprises?

Dr. Hilaire: Well, I guess I could start. I do not know if protocol allows the Ministry to answer but anyway. Let me – I think there is tremendous benefit and I think this is really the area that we need to work on. I think I mentioned it but during the pandemic a number of countries actually worked to lower the cost and increase the limits on digital transactions. So like Ghana, Kenya, Myanmar, they had programmes to do that to be able to facilitate transactions during the pandemic given the nature of it and the need for support to disadvantaged communities.

But more specifically in the case of countries such as Namibia, Peru, Uganda and Zambia, they actually had increased their mobile money networks to deliver government transfers more efficiently because they knew it was there before but they needed to move money out quickly. So I think there is tremendous scope. It is immediate. I think Ms. Lee Chee had talked about that in her opening remarks, that you can move

money very quickly. You do not have to have too much fuss. You have to ensure that the people are who they are but you could do that. And I think there is a tremendous amount on the delivery of the social services.

Mr. Gonzales: Right.

Dr. Hilaire: Of course, also on the tax front because you could receive taxes via e-money but you do not want to make it too onerous because now I think it is a bit tricky to even pay your taxes online so you do not want to make it too onerous. But yes, all government services whether it is taxes or welfare payments. Salaries I think already go through, for the most part, through – but welfare payments, I think, that is high value, paying for, you know, somebody who wants to do an eye exam or some kind of thing. You do that very quickly. So, yes, I think the scope is immediate and it is very easy to do but the infrastructure must be there. Proper communication, you must have the infrastructure set up. You must have people being able to monitor it because you do not want a cyberattack to down the whole thing and you do not want data to be just, people's personal information to be spread around, you know, the country. That, all of that will help to create distrust in it and that is the last thing you want. You want people to be comfortable. They get it and they do other things.

Madam Chairman: Right. That leads us right into member Bacchus.

Mr. Bacchus: Thank you, Chair. Now, I just want to move a bit to the local landscape and specifically what is happening with local companies. In the submission it was identified that there were, I think, 43 companies that had gone into what applications, and working through what you described as your innovation hub going and going forward and only a subset of those have gotten to another stage of what it is. Could you just, you know, briefly give us an idea of that innovators hub, that process? Or why, if whether or not the number that I have gone through represents a norm or is just because we are in the embryonic stages? And what is the future for that with these local companies making applications and then how does that, you know, work going forward with this as an industry on its own?

Dr. Hilaire: Yes. Certainly I could start, Leslie Ann or Alister could elaborate it, if they wish. Just to put it in a way of background. As I mentioned before this fintech thing has been burgeoning for a long while. We had the Bali Agenda. We had a whole set of things. Then the pandemic, people are using it whether they like it or not. So you have to be aware, you have to be informed, you have to move things along.

In Trinidad and Tobago in July 2020, they had the e-money issue or order. What this simply means is that it creates a framework for regulation of unlisting. So that is excellent. What the Central Bank and along with the FIU and the SEC did, in October 2020, is to say well, listen, we are getting a whole set of queries. We are getting expressions of interest and we need to coordinate this thing. We need to have one go-to place where people could engage. And so this is where the innovation hub was set up. It is a portal, nothing more than a portal where people could ask questions, interact with us, provide us with their business models, what they are thinking, what is the future, what is the regulation about and then they could also go on to the stage of an application. This has proved, as I have said, extremely valuable on two fronts for them – for people to know what are the conditions and standards for doing business of a financial nature in Trinidad and Tobago.

And secondly, for the regulators themselves to understand it because it is so dynamic. It is so new. Everybody is coming with a different product. And sometimes you start the conversation with them today, they will give you their business model. Two months down the line you are talking to them, you know, and they have changed because, you know, they will see something new, so it is very dynamic. So that is how the innovation hub came about. In this formerly we had about 43 participants joining, asking questioning and so forth. Some of them went on to the application stage and that is being processed now.

But it is on a whole range of things from the people wanting to do cryptocurrency, e-wallets, peer-to-peer transfers, you name it. They are involved in it. They want to.

So we think this is a good nucleus for moving forward. We think there will be much more interest in applying. That some of those that are in the application stage will get licences, you know, once we sort out the due diligence and governance and business-model issues with them and make sure that people are safe. So we think the future is ripe for a lot of these things to burgeon in Trinidad and Tobago. But we want to make sure that the regulation is sound and that people are not going to a space where it actually is counter-productive. That you rush things, people get burnt and they say, "you see this, I doh want no part of dat because is too much problem". So this is where we are at now, and this is where we think the future will be.

11.05 am

Madam Chairman: Thank you. Mr. Scotland. *[Interruption]* Mr. Scotland has been waiting for a while.

Ms. Lutchmedial: I am not seeing him.

Madam Chairman: Mr. Scotland? He left us? All right. You take it then.

Ms. Lutchmedial: Sorry, I just want to stick a quick pin there. You mentioned moving on to the licensing phase. Is it the intention of the Central Bank, once you are satisfied that these 43 participants move forward, that you will have them licensed as financial institutions to operate within the fintech space and offer certain products of a financial nature or for services of a financial nature?

Dr. Hilaire: Well, the 43 are the ones who formerly entered and asked questions.

Ms. Lutchmedial: Right.

Dr. Hilaire: So, depending on their questions, they may have modified what they are thinking and they say, "Well, maybe I will apply, maybe I will not apply, maybe I will wait later." So, only six of them have gone to the formal application phase. So, those are the ones –

Ms. Lutchmedial: Application for what exactly? Application for a licence to be –

Dr. Hilaire: Yes. Yes, an e-money licence to do certain things such as providing electronic money; peer to peer, meaning person-to-person transactions using a mobile phone, person to businesses or business to person, or to provide it from the Government to person or persons to the Government. Those kinds of things. So, we are looking over the licence –

Ms. Lutchmedial: Sorry. Of the six that have moved on, are they local companies incorporated in this country or are they foreign-based companies looking to enter the market and get into financial services here?

Dr. Hilaire: I will have to ask Leslie Ann on that, but I believe they are all local. But the difference between local and foreign now is so blurred because these guys move all around the place. You may have people from the Caribbean and so, but I believe they are all incorporated locally. But maybe I could ask Leslie Ann – well, I do not want to kind of, you know, break protocol.

Ms. Des Vignes: Yes. So, good morning, everyone. Good morning, Chair. Yes. So, just to add a little more to the conversation. These entities are applying under the e-money order to come into the space to offer e-money services where it will then facilitate persons being able to make peer-to-peer transactions, whether it is business to business or business to person. And so, of those six applicants, I will say they are local but they may have some foreign –

Ms. Lutchmedial: Participants.

Ms. Des Vignes: – relations.

Ms. Lutchmedial: Relations, yes.

Madam Chairman: In your submission –

Ms. Lutchmedial: Thank you.

Madam Chairman: Sorry. In your submission – Central Bank’s submission, you mentioned:

A regulatory sandbox was set up allowing for qualified companies to test and modify their products locally in a controlled setting monitored by trade regulators.

Now, you also mentioned that the Central Bank is taking a measured approach to the implementation of this Central Bank digital currency and you studied the technical aspects carefully in collaboration with the other regional central banks, the IMF, and Semlar and so on. And you are currently continuing to review the experiences of several countries and pilots, Uruguay, Nigeria, Jamaica, and then countries that are a fuller stage of implementation and you mentioned The Bahamas, the Eastern Caribbean, et cetera.

Now, I was fortunate to have a conversation with someone from the Securities Commission in The Bahamas last night and she said to me that there is no sandbox in The Bahamas. And what is felt that they allow – you allow the activity to occur, that the regulation is then built on top the activity and it is not the best approach because they believe that once they are operating in the sandbox it is difficult to get them out. So, can I have your views on what The Bahamas is saying, since you regard them as someone who has done quite a bit and, you know, you are going forward? Are you going to take into consideration, since you are studying what is happening in The Bahamas, and this is the view that I am getting from The Bahamas authorities?

Dr. Hilaire: Yes. Let me start on it – and thanks for that very important question. Now, as I have mentioned before, we have companies that are approaching us for licences. Now, there are two ways of going about it. One, is saying, okay, you go directly into a licence, or two, you have them – some companies, if you think it necessary, a space and a period, six months, or whatever, where you kind of test the ground in a controlled environment.

So, all the sandbox is, is really, as the name implies, a play area, you know, castles and sand or whatever, where companies can test out their products, we can observe what is happening on the local scene but they have an opportunity to change and we have an opportunity to modify what is going on without them giving them a full licence, because this could actually make them move faster into getting a licence because they have a test environment. So, that is all the sandbox is, a test environment. Many countries have decided that they could use that depending on the circumstance. Not everybody has to go through a sandbox if your product is well developed, it is sound, it has a 100 per cent – thing, we do that. But if you want to have a controlled environment this is where the sandbox comes in.

With respect to The Bahamas’ position on a sandbox, well, you could do it that way too. It really does not matter. You could determine that you go directly to licensing but the issue with that is that sometimes it may take so long to get to the licensing phase that you do not have the opportunity to test. So, it really is just a testing ground that could help to facilitate the movement to full licensing. I do not know if it is clear. So, we do not have a problem with that philosophy of going directly but what it means is that people may just be waiting a long time without having a testing period. So, we think the testing period could actually help to iron out kinks and so forth, as opposed to, you know, straight on the road then. It comes like

somebody, you know – you have an “L” on your vehicle, so, you know, well, you watch this guy, he could turn at any time as opposed to, you know, you just study it and you get your licence. So that is just an analogy on this.

Madam Chairman: Thank you. So, are you satisfied with the level of regulation that we have in place now?

Dr. Hilaire: I think we have a decent basis, yes. I think we need to bolster certain things. My answer is somewhat hypothetical since we do not have any fintech companies that are actually licensed. So that, when we reach to the licensing phase we have – so, the first one is getting them on the road as if it were licensed. We have to work on the monitoring part. Over time I think we are well prepared for that. I think we will be able to do a good job, but we have not done it yet because it is still coming. But I just want to emphasize that we need to have our capacity that is not just focused on hard-core regulations but it is enabling. So, we will continue to work with that and to educate people and so forth. But I do think we have a strong basis for moving forward.

Madam Chairman: Are you familiar with The Bahamas legislation that came into force in December 2020?

Dr. Hilaire: No, not at this time.

Madam Chairman: All right. It is called, for short, “DARE”. It is Digital Assets and Registered Exchanges Act, 2020. So perhaps since you are in the stage, you know, you could have a look at it. We can have a look at it as well. The Government can have a look at it. I do not believe in reinventing the wheel, especially people have had something and it is working, that perhaps you can consider what we want to put in our law and what is there, you know, how we can marry our two. Because everybody has the same goal, you know. All right.

Ms. Lutchmedial: Chair, if I may, through you, some more questions for Dr. Hilaire. May I proceed?

Madam Chairman: Yes, please proceed.

Ms. Lutchmedial: Thank you. Dr. Hilaire, have you considered or would it be something that is worth considering when you get to the licensing phase, because you are trying to strike this balance between creating the enabling environment and regulatory framework, that you have sort of a phased roll out for these licences in terms of the type of products they could offer and to whom it can be offered? Because, as you said, it is difficult for you to test your regulatory oversight when nobody is actually operating.

So, when they do get licences, would it be something that is possible, pursuant to the e-money order and all of that, that you can give them a sort of a test run rather than unleashing them fully onto the public who we acknowledge are not the most sometimes financially illiterate groups and there are certain vulnerabilities? So, for example, allowing business-to-business type e-payments and transfers initially so that you have a little more text savvy and financially literate population being the guinea pig, so to speak, when it comes to these persons entering the market as opposed to a full-fledged licensing and roll out where you can offer it to anybody.

Because my concern and my absolute bottom-line concern here is really the targeting of people who would simply be too vulnerable and not know how to protect themselves from the negative effects of this type of activity. Is it something that would be possible?

Dr. Hilaire: Yes, no it is possible and this is actually – and I agree fully, and this is the philosophy behind the sandbox. So, the sandbox actually is an area where we would test out – so you could – so, let us say we give a provisional licence to a company for e-money services but it must only be in, I do not know, the Chaguanas area, the Point Fortin – whatever it is, and it must be only among a, b and c, and you need to

do so and you need to monitor it carefully and then you go ahead. So that is one aspect which you mentioned, which is a testing period.

The other one, which is related to that, is a limited scope arrangement, which we already have in our armoury for banks and insurance companies, et cetera. So, we know a company, and companies from – [Inaudible] – they want to do the work, so it is very common. You do this now, let us see how that goes. So, you could get a licence but you get it for this activity and then later on you get it for another one. So, yes, those two are part of –

Ms. Lutchmedial: So, “a creep before you walk and before you run” type of approach, both perspectives of the operators and the licensees as well as from the regulators. Because I think it is a learning curve that everybody is going to be on in order to understand, and legislators as well, because we will have to see where we want to take it. So, thank you very much for that.

Dr. Hilaire: Most welcome.

Madam Chairman: I was going to take you off the hot seat, Dr. Hilaire, but it seems that, you know, we want to keep you there a little longer. Before I go to members Gonzales and Bacchus, I would like to ask a question that came from social media and it says: Most business in Trinidad and Tobago – I supposed businesses, have evolved to completely online businesses, websites, Instagram stores, Facebook stores. However, a challenge is our credit card penetration rate. Realistically, the majority own debit cards but cannot use them online, which hampers business development. Could the Committee kindly consider this in the deliberations? I am throwing that out to you, Sir.

Dr. Hilaire: Yes, I think that is what we would want to encourage. Now, let us put it this way. A company that is selling services wants to be assured that it is getting its money. So, what does it do? It says, “I need to have a credit card that I can recognize from a company that I can recognize and therefore I will, you know, sell you the shoes or whatever from abroad.” If the debit card does not satisfy that for the company then they would say, “Well, I do not know this thing, you know.” So, this is where the international cooperation comes in, mutual recognition of products and standards. And if there are standards established and people know that there are, they could have confidence in this activity, then they would do it.

But apart from that there are always other business opportunities that come in. So, people may not use a credit card. They may use PayPal or they may use some other form or you could then transfer your money. It may seem a bit circuitous but you could transfer your money via mobile app to your cousin in New York and then they make the transaction for you. At least it helps to facilitate. So, the basic point is that, yes, but it depends on the receiving company what they want to accept. And two, that fintech offers the opportunity for products that may fill this gap. Because even to establish a credit card, a company, a bank giving you a credit card will want to know the world and will want to know if you could pay it back, do all these things, otherwise you are not getting it. The fintech company will say, “Oh, you have a lower level of due diligence, a lower level of requirements,” and you get credit easier. So yes, I think you could have the possibility of using fintech to fill these gaps, where people want to transact but do not have the traditional instruments.

Madam Chairman: Thank you. Member Gonzales, please, followed by member Bacchus.

Mr. Gonzales: Thank you very much, Chair. And, Chair, not wanting to remove Dr. Hilaire from the hot seat, perhaps I will ask for the intervention of members of the Securities and Exchange Commission, the Ministry of Finance or FIU to give me or share, perhaps, their perspective on this comment. Now, Dr. Hilaire said in his opening statement – and, you know, I took note of it because I found it was quite profound – that this topic is very complex and it is inevitable, and we expect rapid and progressive growth moving forward. And part of the thing that we need to appreciate is the importance of educating our public.

Now, I get the sense from hearing from Dr. Hilaire and from some other members of the institutions that are present here before us, that it seems as though that the approach being taken by some of our agencies is a bit disjointed. I do not get the sense that everyone is on the same page. Perhaps, there is a need for some strategic action plan identifying some goals and strategies that are needed to really pull this thing together, to prepare Trinidad and Tobago, especially our financial system to, you know – from, as what Dr. Hilaire said, the inevitable. Because it seems as though if we do not do that quickly it will impact the ease of doing business, it will impact the attractiveness that we need to have our economy being pushed forward, people may not be interested in investing or doing business in our economy.

This seems to be very, very critical. And, you know, I get the sense that all of the agencies present here before us, Central Bank, the Securities and Exchange Commission, the Ministry of Finance, FIUTT, they need to come together and formulate a strategic action plan identifying some strategies and goals, et cetera, to really put this or set the necessary infrastructure in place so that we can create that space in our economy, taking into consideration, of course, the security issues and all the other issues that we mentioned during our discussion this morning but ensuring then that we cannot prevent the inevitable from happening, but not wanting to miss a bus because we have to ensure that our economy is attractive and that, you know, it remains in tandem with international best practice.

Madam Chairman: Thank you. Mr. Bacchus. Member Bacchus.

Mr. Bacchus: Thank you. Thank you, Chair. Yeah, the hot seat actually remains. Two things: one specifically to deal with cryptocurrency. I know the Central Bank had sent out an advisory relative to cryptocurrency, yet cryptocurrency is, for all intents and purposes, a facet in one area of fintech. How does the Central Bank marry that and make sure that fintech is not branded as a cryptocurrency thing? And therefore, the idea that the negatives and the positives associated with that are separated, and how does the bank deal with that? Secondly, it has do with, again, back to the local side of things. The appreciation of a cashless society really speaks to the ability to do transactions across a broad spectrum of things. It is not just – I mean, for those of us who are banked and probably – we probably could transact everything because we have the appropriate cards and so on.

But when you get down to the merchants at the individual level, in the markets where significant transactions happen, and I am talking about the local markets, your ability to go and pay for things on the street, all of that, itinerary vending and those things, how have those merchants or has there been any interest expressed gathered by any of the entities as to their willingness to participate in this? Because it is not just about me being able to send money to England to “meh” sister, but this is about me being able to walk down the street, on Frederick Street and purchase something, doing that because it brings the benefit to the underbanked, the unbanked and the unbankable. So, it is those two things. One is the cryptocurrency piece and that is the application of fintech at the base levels where strangely enough is where the majority of the cash transactions are happening.

Dr. Hilaire: Yes. Chairman, should I go ahead?

Madam Chairman: Yes.

Dr. Hilaire: All right. I noticed member Gonzales had asked some questions but I was not sure if to jump in or so, but just to kind of comment briefly on what he said. I think it is quite important and I think – I really welcome this Joint Select Committee because it kind of helps to focus the mind. The regulators have been working together. But, listen, preparing for this thing you have to really focus very closely, even more so. So, I welcome that. In the Central Bank we are actually ramping our engagement or our discussion on the issue and, in particular, looking to see whether our approach – we need to modify our approach to be

more open to different possibilities. So, yes, I do agree that a coordinated approach is important and we will strive to do that.

With respect to the questions, I think that we have on the cryptocurrency. The Central Bank's view is as follows: we welcome people innovating and using different financial instruments but cryptocurrency has certain characteristics that you need to be very wary of. First of all, in a sense, it is based on almost nothing. You do not say, "Well, okay, there is a factory that is building—that is making vehicles or there is a mine that is mining iron or copper or something." It is kind of just by itself. What that means is that it is fabricated kind of out of thin air. I mean, you may say like "ah" going too far, but what that means is that the value could fluctuate wildly.

What happens now is that people invest in it and they only look when it is going up. Well, when they lose their shirts now, what do they do? They have bills to pay, they have things, their families are in distress. They come to the Central Bank and they say, "Well, we cyah help you." So, at least they know the risk involved and they are fully aware of what they are getting involved—and this is why the regulators, as you say, FIU, Central Bank, SEC came together to issue a statement warning people about the issues involved in that area.

So that is how our approach to it is one of warning people. We know that we cannot prevent people in their own space from getting involved in it if they want up to a point, but we are warning on the severe risk involved: fluctuating value, that you could have money laundering, you could have all those things and then recourse—we do not have any recourse to us.

With respect to the cashless society, yes, we think this is quite important. What is the interest of people? I think Trinidadians are very, very—Trinidadians and Tobagonians, sorry, are very—we embrace anything very quickly because we are very savvy and we are very innovative and we want to be on the cusp of things. So, I have no concerns about people being able to engage. I think the interest will come once you see that you can get your money quickly, seamlessly without hassle. You do not have to go to a bank, you do not have to look at, you know, currency with my name on it. You just have to go and get your wallet and your phone and you do your transactions. So, I think it will come very naturally, very easily but they need to understand it and they need to have trust in it. If it falls apart, forget it. So that is why the infrastructure is so important. I think—as I said, government services, movement of money from one person to the other, buying bills, and then you go into getting credit now too, I think the world is open to it.

Madam Chairman: I do not know—[*Interruption*] Sorry? Yes. I do not know if you are at liberty to answer this question, it is coming from social media, but I will pose it nevertheless. Was iGovTT and/or the TT International Financial Centre company within the six companies that applied for licences under the e-money order?

Dr. Hilaire: Leslie Ann, you want to take that? As I understand it, the International Financial Centre is a facilitating agency for fintech and the iGov is the agency for the Government to facilitate transactions. So, they would not be the operators per se and we do—I must acknowledge that we do think that they have a tremendous amount to give in this—Chair, as I mentioned before, we are more an enabler, whereas the IFC would be more of a promoter with the other fintech companies, international businesses and so, and the iGov will be the implementer of moving money from government, et cetera, et cetera. But I do not know if Leslie Ann wants to comment on this.

Ms. Des Vignes: Nothing additional to add, Governor, at this time. Nothing additional to add at this time.

Ms. Lutchmedial: Could I ask a quick question, please, Chair? I am sorry, I know we are taking very long with the Central Bank and we have everyone to move on to but anybody could answer this actually. With respect to—I think one of the key components of building trust is if people understand that they have redress if something was to go wrong and that redress can come from two places. It could come from the regulators but it could also come from law enforcement. Has the regulatory society, who we have here before us, have you all engaged or examined in any particular depths how the capabilities of our law enforcement agencies to deal with our imposed criminal sanctions where persons become susceptible to, you know, schemes? And again, do we need just a strengthening of our legislative framework so that we do not have certain types of activities slipping through the cracks and there being no criminal sanction in place to punish persons who may take advantage of loopholes in the law which may currently exist?

Dr. Hilaire: Perhaps I could start and then the others could jump in. I will say a second part first on the legislative framework. I think it is that we can look and see if there are loopholes. I mean, that would be a fairly easy study to do. I am not aware of—think and we concentrate on what we do, and then we see there are criminal sanctions for this, or whatever, whatever. But yes, I think it would be a good exercise to see if things are falling through the cracks. So that is on the legislative framework.

On the criminal, the capacity of the Judiciary and the police to enforce the law, I mean, I cannot comment directly on the capacity or the experience, but we do know that it would be important because there is no point in having legislation, controls, regulations and penalties if they are not enforced and if they do not seem to be enforced. Because it is important for people to know, just like in the US, you have a problem, well, you get fined and it is public and it is made public and it is the next day because that is not only a penalty, but it is a strong deterrent. If someone knows that they can—something could drag on for a long time, well, they take their time. So, I think precision and capacity to enforce fairly but quickly would be important to, again, shore up trust and to also give confidence to the regulators themselves, because we do not want to be doing it and then it just drags on forever. So, I think the coordination, I think the implementation will be important.

Ms. Lutchmedial: What I am thinking—

Madam Chairman: On that important—

Ms. Lutchmedial: Sorry.

Madam Chairman: Yes. We must close on that very, very important note. We will take the Central Bank, which has been very, very key to this in this whole process, we will take you off the hot seat and move to the Ministry of Finance. Can the Ministry of Finance—how are you going to be raising public awareness about the benefits and safety of using electronic payment systems? And do you see any challenges with the uptake of this facility used by the public? Ministry of Finance.

11.35 a.m.

Ms. Lee Chee: Yes, Madam Chair, thank you for the question. As we would have indicated in our written submission we have begun to facilitate certain e-payments via—with respect to some of the public sector agencies, like the Judiciary and some others. We are currently focused on looking at the payment of facilitating full online payment of taxes through the Customs and Excise and the Board of Inland Revenue. We are, with respect to the specific outreach, public sector outreach, I will ask the Comptroller that that too is in its embryonic stages, but I would ask the Comptroller to provide some additional details on that part of it.

Madam Chairman: Ms. Laban.

Ms. Laban: Hi, good morning again. As PS indicated, yes, we have started an outreach. Now this is really – we have started, we have looked at the larger receivers of revenue. Those are Ministries who we targeted first to look at their readiness. We looked at their readiness for e-payments and their volume of transactions and we worked with them to bring about online payment. Currently we do have online credit cards. Some Ministries are not utilizing that right now, and debit cards. Thank you.

Madam Chairman: And the next person with you is Nelisha Bally, because she was not introduced earlier. Yes? All right. So now, Mr. Bacchus –

Mr. Bacchus: Yes, Chair, if I may, I just wanted to take off just on that answer. And it speaks to the relevance of fintech as I just noted with the Central Bank. If you just look at what was accepted by the various Ministries as indicated there, it was credit cards, debit cards and that requires you to be fully banked. The advent of fintech would allow for people who are either underbanked or unbanked to participate in other – and I think that is possibly where the previous question was going that came in online as to the relationship between the IFC, iGov and so on, as to whether or not the Ministries would be embracing fintech as part of its programme of roll-out for accepting and for paying out of money. Is that part of the roll-out that is relative to your roadmap for digital payments?

Madam Chairman: You had anything you wanted else to find out, Mr. Bacchus?

Mr. Bacchus: Probably they could start there I think that sets the stage for some of the pieces I want, but I would prefer if they could answer that piece for me please.

Madam Chairman: All right.

Ms. Laban: Yes, with respect to the unbanked and underbanked we are currently looking at payment service providers. We have done financial instructions in draft and we are looking at that currently to get it approved so that it could cater for the underbanked currently.

Mr. Bacchus: And of course in your roadmap for digital payments as identified, there are a number of assets there. Could you just elaborate a bit on it and identify how the roll-out of it is going to go, and for the benefit – who will benefit and what the benefits will be?

Ms. Laban: Currently we have – with the road map, it goes until December 2022. We are looking at between January and April. We have some Ministries we are looking at, which includes the Judiciary for online bill payments because they are the ones, they came to us first for the online bill payments which includes the unbanked. We also have the Licensing Department with the Ministry of Works and Transport, so they are also on the roadmap for between January and to April for implementation. There is also between May and August 2022 the Registrar General's Department and Immigration Division who we will be working with closely to also bring about online bill payments. Registrar General by the way they are already doing online credit cards as well as intellectual property. And we also have Inland Revenue and customs, they are also two large receivers' of revenue. And for the latter part of the year we are looking at also bringing them online particularly with ACH transactions. Thank you

Mr. Bacchus: Thank you, Chair.

Ms. Bally: Hi, good afternoon, Chair and members, Nelisha Bally here, I would just like to add to what the Comptroller had said. One of the members previously had indicated they were trying to get on online with TTBizLink and the Ministry of Trade and Industry. Just to give you an update on that, is that we have, the Treasury Division has been working with the Ministry of Trade and Industry in ensuring that the Single Electronic Window and the TTBizLink can be rolled out to all Ministries and Departments who are ready to go online. We have had a first meeting already and a next meeting will be scheduled soon. These are for

Ministries and Departments that do not have the software facilities to go on their own, smaller Ministries and Departments that will be using the TTBizLink and SEW and we are all collaborating with the Ministry of Trade and Industry in order to get that happening soon.

Mr. Bacchus: Yes, thanks I know there are a number of products in the market, the Ministry of Trade and Industry and the SEW represents one. I know that there is Gov-Pay that also exists in a number of other Ministries as well. And all of them will have to eventually accept and adapt to payments and/or issuance of payments relative to this advent of fintech as being incorporated into it and not remain limited to debit and credit cards. Yes? So I trust this is the way in which we would go as it relates to this. Thank you, Chair.

Madam Chairman: Now, in your submission you had pointed out, in fact in a table outlining pieces of legislation, the need for further strengthening. What is the approach taken by the Ministry to address these legislative gaps and how will these relevant changes be prior? Ministry of Finance.

Ms. Laban: Yes, there are different pieces of legislation that will –

Madam Chairman: Yes.

Ms. Laban: –require certain levels of approval. The Data Protection Act and the Electronic Transactions Act in particular, these are being looked at currently by the Ministry of Public Administration okay. The others –

Madam Chairman: “Umm hum”, because you had a whole list of them that you provided. Financial Intelligence Unit Act; raise taxes and licenses payment by cheque, Stamp Duty Act; Stamp Duty (Special Provisions) Act; Financial Institutions Act; electronic transfer of funds; Negotiable Instruments (Dishonoured Cheques) Act; Consumer Protection and Safety Act; and so on. You did –and a lot more, anti-terrorism, Proceeds of Crime Act; Forgery Act; freedom of information; electronic transaction; Attachment of Earnings (Maintenance) Act; Exchequer and Audit Act. So in fact, you have done the work in identifying where the gaps are. What next?

Ms. Laban: Can we ask that we do some further and put this in writing to you all?

Madam Chairman: We will certainly look forward to receiving that information. Once it is not available here we always welcome, so it would go, you know, what information you can provide having studied and we will get a more comprehensive report from you so it will go into our final reports. So we thank you for that and of course we will give you a gentle reminder.

Ms. Lutchmedial: Chair, if I may by way a question or suggestion, specifically with the table of legislative changes, could perhaps the Ministry identify which agency because I think some of these pieces of legislation, amendments to them would have to be driven by various regulators and so on. So if they could identify the persons responsible as well as I think it is critical –well they could also give us a priority ranking, but I think we also need to find out where or how they intend to work these proposals into the Government’s overall legislative agenda. Because it is all well and good for us to identify what needs to be done but of course technocrats at the Ministry level or even at the level of the Central Bank, SSC/FIU do not take legislation forward and get it drafted.

So I think we need to get on each piece of legislation because as you mentioned it is very, it is comprehensive, where they have reached in terms of identifying policy changes or where it has been sent to someone to identify what has to be done and what has to be strengthened. And so we would like to get – I think it will be useful for us to get that information in identifying the –

Mr. Scotland: Chairman –

Madam Chairman: I think Mr. Hosein has been there before you and I have not heard his voice yet, so right after Mr. Hosein, I will take you Mr. Scotland.

Mr. Hosein: If Mr. Scotland has a question for the Ministry of Finance, I could always defer to him because Chair you had asked the question I initially wanted to ask and I wanted to move on to the FIU. So if Mr. Scotland wants to go ahead, he can.

Madam Chairman: Very well. Mr. Scotland, the floor is yours.

Mr. Scotland: Chairman, thank you. The move away from cash-based transactions to what I would call the fintech use, how is the Ministry of Finance going to liaise – what is the plan, to liaise with its partners to getting that buy-in from the general public. Is there a plan, through you, Chair? What is the plan and how is it going to be implemented?

Ms. Lee Chee: Member, if I can start and then bring in Ms. Bally and Ms. Laban can add. There is on a going discussion with the regulators between the Ministry of Finance, Central Bank, TTSEC to a certain extent, but there are committees that may – but with respect to a specific plan of one strategic direction, a document, I do not believe that we are there yet, but I know that is the intention. But at this point in time I do not think we have a comprehensive plan. The Ministry of Finance might have its own plan, and like I said we discuss, we talk, we have a general agreement, but with respect to identifying a specific strategic direction that everybody is party to, I do not think we are there yet. I do not know if Nelisha and Catherine –

Ms. Bally: If I may add to what PS has indicated, while there is no strategic plan for us in terms of moving towards a cashless environment, we are driven by the needs of the Ministry and the Ministries are the ones who will come to us in terms of their readiness for cashless environment. For instance, if they are ready for an online credit card system, debit cards or pay – the new thing we have now working on is like, it is a payment system provider for top-up vouchers. Now, we have reached to that phase because those are where the Ministries have indicated that they would like to go.

You will appreciate that we have to do financial instructions in order to provide a secure environment in which Ministries can operate under these. We have done so already for debit card and also for online credit card. Presently, as the Comptroller has indicated we have drafted financial instructions for a payment system provider for top-up cards. Those are in the final phase of being approved and then it will roll out to the Ministry. We can only move forward when the Ministries have approached us in terms of the method of payments that they would like to use and that is what we have before us now at the Ministry of Finance.

Ms. Lee Chee: And if I could just add one more thing, another area of focus, specific focus, for the Ministry of Finance is to fully digitalize tax payments. So currently we are just finalizing a technical assistant agreement with the Andean Development Bank to look at the Customs and Excise Division as well as the Board of Inland Revenue Division, the Inland Revenue Division to help us design a map, a road map to get to full digitalization of all taxes across the board.

Member: Good.

Mr. Scotland: Right. May I continue, Chair?

Madam Chairman: Is your question FIU, to FIU?

Mr. Scotland: May I continue? Yes.

Madam Chairman: No, but I just wanted to remind Ms. Lutchmedial, she had a question that she wanted to ask to this entity before we move on, about consultancy.

Ms. Lutchmedial: Yeah, about the consultancy specifically, well I think that was sort of answered in terms of you all are using the financial inclusions, data and I think – when do you expect that it would be concluded? But I also wanted – after you answer that question, does the Ministry of Finance not, you talked about Ministries coming to you to indicate what their needs are and so on. If we want a real push and a drive towards a cashless society does the Ministry of Finance not see itself as taking on a role where it goes out to every public body and public entity and agency to sort of say, well, hey, let us get this done and tell us what you need and send people into that, because some of them do not even know what they need. And again we still live in a society where and I, up to last year, spent two hours waiting on a cashier to return somewhere to transact business at a government office because nobody but the cashier could sign the piece of paper for me to collect a cheque.

Now – does the Ministry of Finance, somebody has championed this move and when I hear things like, well we do not really have a strategic plan and one person –

Member: That is a good question.

Ms. Lutchmedial: – do we not need something somebody to be the driver of this and to have what, you do not have to call it a strategic plan but to have a plan and to reach out, rather than waiting for everybody to step forward and say could I get on to these, to the window, please, could I get on to Gov-Pay. I think this is necessary for me. Who is really going to champion this process?

Ms. Bally: Thank you for the question, member, and while we may not have a strategic plan we do have a roadmap; a roadmap in which the Ministry of Finance, Treasury Division and the TTIFC is working towards in getting digitized payments by the end of December 2022. We have been working with the Trinidad and Tobago International Financial Centre to start implementing some of the facilities out there. Now, we have started looking at a number of directions in which Ministries would want to go. Now your question about getting to the other Ministries, the TTIFC is working with the Treasury Division to bring on all Ministries forward into using these platforms. For the Ministries that do have the software to start financial payments we have reached out to them in terms of coming on to e-payments and for those Ministries that are very smaller we are urging them to use the Single Electronic Window because we have been working with the Ministry of Trade and Industry in terms of TTBizLink and the Single Electronic Window.

Mr. Scotland: Chairman, Chair?

Madam Chairman: Please proceed.

Mr. Scotland: I know hon. Minister Sen. Bacchus is here, have the entities who are before us considered the new legislation that has been passed relative to the financial sector that we passed in Parliament, the Revenue Authority? And what about partnering with the Ministry of Digital Transformation to get some assistance in order to expedite this process. Have you considered that? One, the new – how does this framework now accord with the new Revenue Authority? And have the entities, all these stakeholders who are appearing before us, have you all contacted, liaised, linked with, sought assistance from the Ministry of Digital Transformation? – which you must agree, Chair, should be involved in this process and we have Sen. Bacchus here.

Mr. Gonzales: Absolutely correct.

Ms. Laban: Yes, we have actually formed a working committee with all of those entities on the committee. There is Ministry of Digital Transformation, Public Administration, Central Bank, Bankers Association, as well as the International Financial Centre. So, yes, there is a working group that has been formed and they have been working closely together on the various methods of e-payments.

Mr. Scotland: Do you have a deadline, is there is a deadline or a cut-off point where at least some working document can be presented so that this JSC can have something where we can now do a report to the Parliament and say, look, this is implementation time, this is our time frame? Do you have a time frame for a start-up date?

Ms. Bally: We have been—hello?—we have been mandated to go digital by the end of December 2022. What we do have and we can provide to the Committee is the financial regulations we have for debit card, receipt of revenue via debit card, online credit card and we also have the draft instructions which we can provide to you all for you to have a view of and your comments.

Mr. Scotland: All right, and, Chair, my last, and my question on this issue is directed across the board. You will and you know of instances where persons in the normal regular banking system, Chair, people are subjected to fraud. So you get a bill on your credit card to say that you spent \$3,000 in a hotel in Dubai but you have not and yet it takes the normal banking system six months to—you are at no fault, your money is stolen by you by some issue, systemic issue with your provider, the banks. What safeguard measures—the Central Bank, even FIU and the Ministry of Finance are putting in place to avoid this pitfall and to protect the users of this fintech system? Chairman, my questions produce silence.

Madam Chairman: I have observed that.

Ms. Lutchmedial: At all. Not a good sign, at all.

Madam Chairman: You thinking, it is so deep, you know, people have to think, Mr. Scotland.

Dr. Hilaire: I did not want to break protocol if it is the Ministry of Finance, should I start?

Mr. Scotland: I directed it across the board.

Dr. Hilaire: Yes, yes, now you raise a very important point and again it is a question of companies that may be trying to protect themselves and they do not know and they protect themselves so much that they disadvantage the customer. So it is a reality. What we at the Central Bank have is something called a market conduct framework, where companies, financial institutions that are licensed by us must communicate with their customers in plain language exactly the terms and conditions of service of any product. So if you have a credit card then you know that you have, that it is possible that something like this would happen. It may not be something that you really enjoy because whether it says that you can be out of pocket for three weeks it may not help, but at least you know that you could be subject to that.

We also encourage them to move things along as quickly as possible. On occasion we may have to—because people do write us, right, we have two avenues for this. One, is a more general kind of enquiry as to what is happening and in some certain cases we may take it up with an institution at the Central Bank per se level. Then we also have the Office of the Financial Services, Ombudsman who has two functions. One, is information and two, is the redress function. So if something is really illegal, the institutions are doing something illegal or that is going too far then the Ombudsman could step in and in a sense order them to comply. But most times what happens is that that the dialogue results in a resolution before that time. So the person says, listen I have this problem with my bank, I have talked to them, they are still not satisfying me, the Ombudsman looks at it, they investigate, they talk to the financial institution and sometimes this alone just clears it up, to make sure that things move. So apart from the redress we have the market conduct and we have dialogue and to keep the institutions and the public sensitized as to what is going on.

Mr. Scotland: Chairman, Chairman?

Madam Chairman: Mr. Scotland.

Mr. Scotland: May I ask what are the challenges – Chairman, that echo is not coming from me, I only have one device on.

Madam Chairman: Nobody is complaining, please proceed Mr. Scotland.

Mr. Scotland: Right. Chairman, what are the challenges that are anticipated when this—so I am presupposing that we get up and running, but when you get up and running Chair, if you presuppose your challenges, in up and running you can cater for it. What are the challenges that are anticipated in this transition? And how in your preplanning process do the entities see themselves mitigating relative to these challenges. So we are being proactive. And I would like us to list the challenges please.

Madam Chairman: Perhaps we can – it seems that it is quite challenging. I do not know what you had for breakfast Mr. Scotland but you have been asking three very penetrating questions and we can do appreciate because it furthers the discussion and the analysis, but what we can do is to give the entities an opportunity to provide their responses in writing. So we get a considered response and I thank you for that.

Mr. Scotland: Chairman, your every word commands my obedience, Chairman. So we will get it in writing.

Madam Chairman: You see how far back that went, eh.

Mr. Scotland: Chairman, you cannot reveal that on national –

Madam Chairman: I cannot reveal that in this forum, yes.

Mr. Scotland: Chairman, can I give way to the other members and would you allow me, Chairman, do not disclose it – and would you allow me, I do not want to hog, and would you allow me to come back after, please, with my final – Chairman, you know you disclose – “ah” seeing you disclose, do not disclose it. Chairman, would you allow me to come back after, please, if other members have questions?

Madam Chairman: Yes, Mr. Scotland. I am tempted but I will keep your secrets.

Mr. Scotland: Yes, please.

Mr. Hosein: Madam Chair, may I?

Madam Chairman: Most certainly. I have been waiting to hear you.

Mr. Scotland: Morning, member Hosein.

Mr. Hosein: Good morning, Mr. Scotland, and thank you for giving way. Madam Chair, I was not surprised to learn that there is no strategic plan in order to convert, by the Ministry of Finance, to convert the environment into a cashless one. But it goes contrary to the policy, the announced policy of the Government in terms of I heard the Prime Minister before indicate that the move is towards a cashless society. And then we heard, well there is no strategic plan but there is a roadmap. With all due respect, Madam Chair, before you even take the road you should have a plan of where you going. And then I heard that the Ministries basically come to the Ministry of Finance in order to determine whether they want to go cashless and the deadline date for this is December 2022. So what I want to find out from the Ministry of Finance, is how many Ministries have approached the Ministry of Finance to go cashless? How many have not? How many who have approached are actually cashless, and if you do not reach your December 2022 deadline, are you just going to wait until they ask you that they want to go cashless or are you going to them, to be proactive as Mr. Scotland would have indicated earlier?

Ms. Lee Chee: Member, before I let Nelisha give you the numbers, I just want to clarify one point in the strategic plan. The TTIFC had been mandated to address the issue of financial inclusion and they are

currently in the RFP mode for a provider to conduct a national survey to establish a base from which a national strategic plan could evolve.

Mr. Hosein: Just for the record there is no strategic plan, there is work for a strategic plan.

Ms. Lee Chee: Yes.

Ms. Bally: Thank you PS, and I would just like to indicate the Ministries and Departments that have approached us already for EFT, moving forward with EFT payments and those Ministries and Departments are: the Judiciary; Registrar General's Office; Intellectual Property Office; Immigration Division; the Ministry of Works and Transport; Licensing Division; the Board of Inland Revenue; Customs and Excise; the Ministry of Agriculture; the Ministry of Trade and Industry.

Mr. Hosein: So how many Ministries and Departments are outstanding?

Ms. Bally: A large number of them and it is not just—it is a matter of the readiness of the Ministry to go online, because in order to facilitate online payments there needs to be a platform.

And this is the reason why we are working with the Ministry of Trade and Industry for the Single Electronic Window and TTBizLink where some smaller Ministries and Departments that do not have the software, the platform to have their own e-payment solution will use the Single Electronic Window and the TTBizLink in order to get e-payments into the Ministry and to facilitate ease of doing business for the citizens.

12.05 p.m.

Mr. Hosein: Is that challenge that you identified not the reason for the creation of the Ministry of Digital Transformation to ensure that there is uniformity and standardization throughout the public sector so that these challenges would not happen? So that, if all Ministries operate on the single software or single technical—whatever technical assets that they require, that it becomes easier for all of these Ministries and Departments to go online and you can streamline all of the services? So is it that you all are working or are in talks with the Ministry of Digital Transformation?

Ms. Bally: Yes, we are. There is currently a working group which involves the Ministry of Digital Transformation and Public Administration, the Judiciary, the Ministry of Finance, iGov and also TTIFC, and there is a steering committee to establish that. So we are now on the—as PS has indicated, there is now a financial inclusion for TTIFC to come up with that strategy. Most of these Ministries are working with the TTIFC together with the Ministry of Finance in moving forward with this.

Mr. Hosein: Thank you. But just for our purposes if you can provide the Committee, and subject to the Chair's ruling, in writing, of all of the Ministries that would have gone online, and those that are still outstanding for our evaluation and assessment. So I await that the Chair will rule on that matter.

Madam Chairman: Well, I have to be very careful with you because I was just about to say that. So it will be provided.

Mr. Bacchus: Chair, if I may? Chair, if I may?

Madam Chairman: Yes, you may.

Mr. Bacchus: And as the Committee knows another one of my hats sits—I sit as Minister of Digital Transformation. I do not sit in this Committee, and as such I do have answers that I would not use this Committee to forward for that or get it through the Ministry of Finance. But suffice it to say, that the collaborations that are happening at the level of the Ministry of Digital Transformation would involve

assessment of the digital readiness of all of the Ministries' divisions, and agencies, and as such its work on the Committee that has been stated will identify a broader way in which these things will happen. It is not that every Ministry will individually have to come, but they will find themselves within a programme that will allow for them to be assimilated into this.

Remember the idea here is about the adoption of technology within Ministries, divisions, and agencies that are actually being developed within the private sector. So this is about partnerships and continuous collaboration for the implementation. Getting to a cashless society is not a one-year project. It is not even a five-year project. It is something that will take more time than that, but it revolves a number of things and again the Ministry will provide its responses. So I would not use the platform as the Minister to deal with it, but I guess in the written responses you will get it.

I wanted to ask a question of the Ministry and it has to do with the fact that those same partnerships and the creation of which, while there is significant enthusiasm, there are significant resources required to be able to bring these things, the technology and all of the pieces of it to fruition. I know the Ministry had embarked on—the Ministry of Finance that is—had stated in its submission that there are things that we are doing incentive wise to allow for all of these individual entities to make and bring to fruition what it is they want to do within the fintech space. The question I am asking is: Are those things available and how has that been going? And this is relative to incentives across the board? And this is to the Ministry of Finance.

Madam Chairman: Ministry of Finance? They are collaborating. That is the important word there. So—

Mr. Bacchus: Yeah, just to be clear it is—

Madam Chairman: So you have to collaborate both internally and externally you see. So this is the internal one that is going on here. Almost every time I come here I use that word “collaboration”. So we almost left here without my saying my buzzword.

Ms. Taylor Lee Chee: Yes, Minister. So we have been following up with the relevant agencies to try and keep track of progress. I have to admit progress has been slow, but we continue. We have—we do monthly reports and updates on the progress. I do have the specific details of the latest progress report with me, but we can seek to update what we had sent previously.

Mr. Bacchus: So there are a number of incentives available, right, for—

Ms. Taylor Lee Chee: Yes.

Mr. Bacchus:—fintech start ups, and that is what I was talking about. The industry itself, while there is significant enthusiasm as identified by the Central Bank, to turn that enthusiasm into actual products takes more than a will and a knowhow. It also takes the ability to find ways to do it and whether that be financing or other incentives. I know there are a number of them. Some were identified in the submission. I just want to find out whether they actually are available for all the use of these industries and so on. And if there is any data available as to how that has been going in terms of applications for it, take up, anything of that nature; or is it just because we are still at the beginning why it is there? But to make it known at least that those things do exist.

Ms. Taylor Lee Chee: Minister, there are various stages that we can undertake to get to update the Committee on each item and specific progress under each allowance.

Mr. Bacchus: Okay. Thank you. Thanks, Chair.

Madam Chairman: Yes. We wish to move on now to FIU, very important, Financial Intelligence Unit. Everybody talks about you, how much information you have and where you are going with it, what is happening. So very, very important entity in the scheme of things.

Mr. Hosein: Chair, may I ask a question to the FIU?

Madam Chairman: Yes, you want to bowl the first ball. Yes.

Mr. Hosein: I looked at the submissions of the FIU and over the past three years, being from 2019 – 2022, there were 4,533 STRs/SARs and out of that only 32 were in fact related to digital transactions firstly being STRs. Is there a reason why there is such a low reporting of these STRs of the virtual currencies?

Ms. Dowden: Thank you for that question, member. What we would have recorded is that 32 out of the over 4,500 STRs received for the three-year period were related to virtual currencies. So this would have been financial institutions identifying customers utilizing their credit cards or their personal banking accounts to purchase cryptocurrencies in some international forum, be it an online exchange or submitting their moneys to a foreign broker. What we would have identified from that is that there seems to be a low uptake for the purchase of virtual currencies occurring so far, but in addition to that it could very well be that the financial institutions are not considering it to be necessarily suspicious transactions. The individuals who would have been involved on purchasing it would have declared why they would have done it and they may have noticed legitimate exchanges being used. So I hope that answers your question.

Mr. Hosein: Yep. We spoke of the virtual currencies that you would use, this is in relation to what is commonly we see all over social media in terms of like the forex trading and the Bitcoin? So these transactions are in relation to those?

Ms. Dowden: So there are two things that you spoke about there, the forex trading and then the Bitcoin. The foreign exchange trading is an entirely different venue. Those are not considered virtual currencies. Those are fiat currency of different countries. The cryptocurrencies on the other hand, Bitcoin, Litecoin, all these different things that we talk about, yes, those are considered virtual currencies and those would be the types of transactions that may have been reported. Generally in Trinidad and Tobago there may be a very risk-averse view towards investing in those cryptocurrencies because as you can see the markets they fluctuate widely. There is no way to sell when the markets will crash and sometimes – So perhaps that is one of the reasons why persons have not been – there have not been that many transactions reported, but that is the information that we can report on so far.

Mr. Hosein: And the 32 reports that we have, that you indicated to us, do you have a value of those 32 reports, the total value?

Ms. Dowden: I do not have that information right now, but I could provide it.

Mr. Hosein: Okay. Thank you. And then I just want to ask a couple questions relating to the FIU itself in terms of its readiness. Is there any human resource constraints – because I know this is a very technical area which requires a lot of technical experts in terms of the monitoring because the FIU being a supervisory authority, is there any human resource constraints within your Unit?

Ms. Dowden: Indeed there is. So at this point in time we have over 4,000 registrants. I think we only have about 18 compliance professionals in our compliance departments to monitor those over 4,000 registrants. If more fintech companies come on board to be monitored by the FIU we would indeed have a further human resource constraints, and in addition to that the knowledge constraints for these officers. Remember the regions that we supervise are not all financial institutions. We do supervise some what we call non-regulated financial institutions, and those are credit unions and money and value transfer services. And

those perform activities that are somewhat different from a regular banking institution. So we do not have the knowledge and the expertise to supervise financial institutions that may have more of a banking role to play. And the rest of the industries that we do supervise are the listed businesses.

We have attorneys, accountants, jewellers, the PMCs right now. Those are the types of industries we have the knowledge and the expertise to supervise for AML/CFT requirements. If it is that we are required to supervise further fintech businesses we would need to increase our knowledge base. We have been starting to seek out training for the compliance officers, also for our analysts on the suspicious transactions end so that we can develop the expertise and the knowledge that is needed to be able to understand how these types of transactions work, to understand the intricacies behind the technology so that we would be able to identify the risks behind it to assist the supervision that we need to provide.

Mr. Hosein: What type of expert would you require in order to increase your knowledge base? Because I got from you that currently there are no experts in the FIU to monitor the fintech department. So what type of experts would you require, and if you want to have a guess in the numbers because I mean, this Committee is about making recommendations to strengthen your department?

Mrs. Dowden: So the expertise – now I myself am not an expert in this at all. The technology behind it is very difficult to understand. It takes a while to learn all of the terms, et cetera. But the expertise that we would need is an understanding how electronic transactions work in the first place, and if I may ask the compliance supervisor who is on the meeting with me today to perhaps add to some of the needs of the Compliance Department. Kevin?

Mr. Radix: Yes, through the Chair, good afternoon to everyone. What we would need – what would be our focus is we need to get a better understanding of the particular sector. Once we have an understanding of the particular sector, what is the risk that the sector poses, we would need to ensure that our staff has an understanding of the AML/CFT risk to this particular sector; how it really works; what was the back end; how that functions; the back end technology and how that work; and all the various – the technology required to monitor these type of transactions and activities. So that is where we are at. That is what we would be seeking in that regard.

Mr. Deyalsingh: Chair, if I would? Mr. Hosein –

Madam Chairman: Yes.

Mr. Deyalsingh: – would you allow me?

Mr. Hosein: Sure, Mr. Deyalsingh.

Mr. Deyalsingh: Thanks. Chair, to the FIU. I know your Unit – and you can correct me if I am wrong – is more administrative than prosecutorial. You do not have the powers to prosecute. But these SAR reports and STR reports that every year total to the billions of dollars, do you keep any tracking mechanism to see how many of these reports, if they are turned over to the investigatory offices; how many of them actually result in some sort of prosecution?

Mrs. Dowden: Thank you, Mr. Deyalsingh, for that question. Yes we do, and we do report on it in the annual report. Unfortunately, I do not have the figures with me today. And we are also required to report to the Caribbean Financial Action Task Force on the number of intelligence reports, as we call it, that would have gone to the police, and how many of those would have resulted in prosecutions at the end of the day. As I said, I do apologize, we do not have that information at hand for the Committee today, but we can do some internal work here and get back to this Committee on it.

Mr. Deyalsingh: Could I—

Madam Chairman: Member Deyalsingh?

Mr. Deyalsingh: Sorry, through the Chair, of course. Sorry.

Madam Chairman: No, no, that is fine.

Mr. Deyalsingh: Chair, would you ask the FIU, if it is possible, to get that type of report in writing, actually how many persons have been prosecuted, broken down by industry and value of assets seized if any? Thank you.

Madam Chairman: Thank you, member Deyalsingh. Consider it asked. I am sure we will get the report. Thank you.

Mrs. Dowden: Chair, before you move on from this question, if I may please respectfully? The FIU, of course, is responsible for the collection of the intelligence and the analysis of the intelligence and then producing those reports to the police for investigation, and the entity that is involved in the prosecution of the offences would be the DPP's Department. We would need to seek the relevant information and the number of prosecutions from the DPP's Department as well to produce this type of information. So I am just alerting the Committee as to the different organizations that are involved in the entire process that would lead us to the prosecutions at the end of the day.

Madam Chairman: Thank you very much. Yes.

Mr. Scotland: Chairman—

Madam Chairman: Yes. Who is speaking please? Oh, Mr. Scotland.

Mr. Scotland: Chairman, through you, the FIU would have sat in today and would have seen the fintech, what I would call, Chair, the fintech approach, the proposed fintech approach. How does the FIU intend to position itself to be able to detect transactions that are questionable as we go forward with the fintech approach? Has the FIU thought about that? Have you thought about that? —because cashless is different from cash?

Mrs. Dowden: Thank you very much for that question. Yes, we have thought about that and the general approach for collecting information on any suspicious transactions is through reporting from the reporting entities. These are all of the financial institutions and the listed businesses in Trinidad, and they submit their STRs to the FIU, through we actually have a reg tech where we call the FIU connect where we receive all of those STRs. If any amendments—and in fact this has been considered recently making some amendments to the format within which we collect these suspicious transaction reports so that certain types of information that would be relevant to the fintech and the technology involved itself could be recorded on those STRs so that we can see trends when those reports are submitted and we can try to look at any of the specifics and the specific details that may result from suspicions arising from the use of these cashless type of technologies to provide the transaction.

Mr. Scotland: Chairman, my world view is that the FIU should adopt a multifaceted approach. One is detection, but I think that the Intelligence Unit should also have an approach that engages the public to advise. I am not getting that aspect. What about the advisory? Is the FIU—I have not seen it. I have not seen a reach out. Is the FIU going to be involved in advising, for example, the public relative to compliance, relative to how to comply, where they have to go, new businesses that are set up? What steps are being put in place to make the FIU more—to improve the advisory nature of the FIU or you do not think that it is advisory?

Mrs. Dowden: So I will answer that question in two parts. I will take one part and then pass on to our compliance supervisor for the advice on compliance portion. So the Analysis Division of the FIU who receives all the suspicious transactions report and analyzes they do in fact put out advisories when they see trends in certain types of suspicious activities occurring. Most recently over the COVID-19 period, over the last two years, we would have seen a rise in what we are calling “romance scams” where a lot of vulnerable Trinidad and Tobagonians have been subjected to fraudulent romantic encounters online. And when I say “fraudulent romantic encounters” I mean that they are being asked to provide funds to assist someone who claims to be in love with them to overcome some misgivings.

So the FIU has in fact conducted advisory sessions with not only law enforcement, but also with the public through launching some social media outreach facilities as well as to posting some guidance and some advisories online with respect to the suspicious transactions and the suspicious activities that we have noticed in the past, and if such activities occur with respect to fintech and these new technologies the same will be done. So now I will hand over to Kevin to speak on the compliance side.

Mr. Radix: Yes. So through the assistance of our Analytical Division, that particular Division will identify trends and typologies. And so the Compliance and Outreach Division would utilize those trends and typologies and all that information to inform our Division as it relates to what type of outreach and awareness sessions that we can develop and put out there to our listed businesses, our supervised entities and to the general public. So we continue to work in that light with respect to pushing forward outreach and awareness sessions that will cater and would tailor and treat with those particular types of issues. Some of the outreach and awareness sessions that we sought of focus on as well is the STR reporting, looking at the red flags and those particular alerts. We also look at customer due diligence measures, and the effectiveness of the customer due diligence measures and things like that. Also, through our compliance examinations we have the opportunity to discuss and to test the entity as it relates to their level of compliance, and in that we are able to understand what type of business that the entity is actually performing and what type of risk that it poses. Yes, so those are the two areas that we primarily focus on.

Madam Chairman: And, of course, you do not want to say everything you know because we are very good in Trinidad and Tobago. So you might find that you will be giving away information so that people could cover up very easily. So you know what you have to do and how you have to do it. Not everything you can talk. Yes?

Mr. Radix: Yes, Chair.

Ms. Lutchmedial: Chair, if I may?

Madam Chairman: We want to finish about 12.45 so we really must go on to the Trinidad and Tobago Securities and Exchange Commission.

Ms. Lutchmedial: Chair, before you move on I just want to ask one question of the FIU. I think it is an important question and I would like to get a quick response from any of them. Specifically, has the FIU considered the risk of its registrants utilizing fintech in a way to—because as we know the persons who you supervise are persons who can be used as vehicles for money laundering. So, have you done a risk assessment in terms of how fintech could be abused by your registrants? And in terms of your compliance inspections have you incorporated anything in your compliance inspections thus far to assist you in detecting whether or not your registrants are in fact utilizing fintech in a way that could be risky or that can open them up to being used or abused for them facilitating money laundering specifically?

And secondly, since 2017 there has been a position adopted by FATF with respect to having financial innovation take place with respect with fintech and redtech, but it must be in line with your AML/CTF

standards. Could you update us you know what the position looks like from a FATF or CFATF perspective in terms of what we can expect for standards and have you all been anticipating this? Because as we all know FATF will meet in June and can perhaps come up with a whole new set of standards that countries would be required to comply with and, therefore, it may be a good idea to preempt us and not be on the back foot to start preparing ourselves from a regulatory standpoint to be able to say that we are doing certain things and we have things in place to comply with any new standards that may be coming out. Are there working groups? Are there any sort of position papers being put out there for comments so far with respect to FATF standards to deal with fintech?

Mrs. Dowden: Thank you very much. I will handle the second question and I will pass on to Mr. Radix for the first question on compliance. So with respect to the FATF standards and we subsequently – we are taking to bring ourselves in line with any anticipated standards or current standards, yes, we do have several working groups in place. We have the supervisory working group where we work together with the Central Bank and the TTSEC on developing any policies for legislation. Our most recent committee came up with some views on digital identity and the acceptance of digital identity for onboarding our customers into national institutions. So we know that with fintech and digitization the real reached here is to not have face to face transactions take place. So we really do need to have a good legislative standing when it comes to the acceptance of digital identity and how to verify the digital identity.

So we have been working on policies with respect to that, but I do know that there are other organizations, other Ministries that may also be working on policies simultaneously and I actually would like one of the considerations of the Committee to be that the FIU be included in any of those additional discussions that are taking place. Apart from that, the FATF would have updated its Recommendations 15 on new technologies in 2018. Several Caribbean islands have been reassessed on Recommendation 15 and their compliance. Now the amendments to Recommendation 15 concern virtual assets and virtual assets service providers, and those would be considered, the cryptocurrencies and any other virtual asset that does not represent fiat currency or any other financial instrument as already covered.

What we have been doing on our end is a gap analysis on our legislation to determine what are the holes that need to be filled, what are the new pieces of legislation or the new provisions that we need to be provided to fill those gaps. These things are still a work in progress and we are also working together with the TTSEC and the Central Bank through the SWG as well as on the national anti-money laundering committee with respect developing any changes to legislation to compliance with Recommendation 15 that may be necessary. Kevin?

12.30 p.m.

Mr. Radix: Thank you. Through the Chair, through our collaboration with the fintech committee, the FIU, what we have been doing is a sort of an information gathering process, so we are gathering the information as it relates to these particular types of entries into the market and entrance into the markets and what we are doing is attempting to look at what risks they would pose to our listed businesses and non-regulated financial institutions. So we are at the point where there is an information gathering. However, as it relates to the supervision of our entities and as it relates to compliance examinations and what are we doing differently, what we looked at is there is a great emphasis on technology and looking at technology and how technology is developing and evolving and how that could actually impact on the threat, create that threat to any of our registrants.

Also, what we have been focusing on is the on-boarding customer, so that is, as I indicated earlier, the CDD information, that CDD, that on-boarding process, we are focusing on that on-boarding process but not only the on-boarding process but the on-going monitoring process of our existing clients. So what we do is

encourage and advise our entities, our registrants, through our compliance examinations and through our outreach and awareness sessions about the importance of transaction monitoring or the importance of ensuring that there is screening taking place as it relates to the mandatory sanction list when on-boarding takes place.

So this is what we are looking at, we continue, it is a work-in-progress. We are working on it so this is where we are actually at. Thank you.

Madam Chairman: Thank you very much, Mr. Radix. Now, I must go to Trinidad and Tobago Securities Exchange Commission.

Ms. Lucillio: Good day, Chair.

Madam Chairman: My question to you is – good afternoon:

Some fintech products such as cryptocurrencies are subject to high amounts of speculation, therefore rates of exchange may fluctuate quite significantly.

That is quoting from your paper. And tell me: Are the current stock market and the service providers equip to introduce cryptocurrency into its offerings? I know a lot of people in Florida are going crazy over it, some doing well, some crying after they get the big amount.

Ms. Lucillio: That is correct, eh, in terms of cryptocurrency has seemed to engage the minds of everyone because of everything that is associated with it. The fact that there is an area where you can probably get a lot of gain and persons, of course, are getting into this because of the excitement of it all. But it does not necessarily mean that they totally understand what it is that they are getting into. So we at the SEC, the way how we are looking at it is that we are focusing on increasing the investor's understanding of the cryptocurrencies, especially in terms of that aspect of fintech. What we have done is actually, I believe in 2020, we launched an online fintech pledge so that persons who want to get into any type of fintech, especially in cryptocurrency will do or pledge to do some background work to understand what is involved in it.

In terms of the exchanges being available or capable of doing any cryptocurrency trade thing at this point because that is another thing, cryptocurrency could be seen in two ways. One, as a security in terms of how it is traded or two, in terms of a core currency in that it could be used to actually purchase or acquire goods or conduct commerce, et cetera. Crypto exchanges are actually quite different in terms of what may be required for them because of the transparent aspect of the blockchain on which the cryptocurrencies would actually exist, right, as well as in terms of understanding where the cryptocurrencies actually originated and where they going to be stored.

Generally internationally, there is a separate registration class associated for crypto exchanges. We are at the SEC, we have not developed that registration class as yet but what is required is an enhanced level of monitoring, of reporting, almost an intraday type of interaction with the regulator especially if it is that they come across something where the exchange would like to halt any type of withdrawal. Because the way how cryptocurrency works with a crypto exchange is that an exchange can receive the submission in any request coming in or any bitcoins or any types of cryptocurrency into the crypto exchange to be able to facilitate a trade even if they think it might be a suspicious transaction, but even in terms of the exchange itself. The exchange could actually act as if, one, in a trading way where it looks as if it is a security or two, as a pass-through in terms of someone paying someone else in the cryptocurrency and hence why that exchange feature, it is quite different to what we may have right now, existing right now where it focuses on security in itself. So basically, I hope I answered your question in going through those aspects.

Madam Chairman: [*Inaudible*]

Ms. Lucillio: Sorry, I am not hearing you.

Madam Chairman: One more question for you.

Ms. Lucillio: Sure.

Madam Chairman: You stated in your submission that you all have launched your own super tech named Electronically Advanced Submission Interface which will digitize the number of processes used to interact with registrants. What percentage of the SEC registrants are currently utilizing this interface and what notable improvements have you observed in your interfacing with registrants since the systems implementation?

Ms. Lucillio: Thanks for that question. Actually it is quite interesting. In terms of the – and why we call it “Suptech”, it is because it is supervisory technology and it means that it is actually starting from the supervisors themselves putting something in place to be able to interact with its registrants. What we have launched so far would be the on-boarding aspect as well as the registration aspect. Suptech is actually in – it is multi-phased. So we intend to launch a corporate finance phase as well as a micro and macro potential reporting aspect of it as well.

What we have seen is that there has not been as large an uptake as we would have preferred for the EASI platform. I think one of the things is that the on-boarding process is quite detailed. The registrants, we are not forcing our information and putting it in, we are asking the registrants to put it in and verify their information as they put into the system and even in doing that and what is associated with that, you would see that they would start and they might stop or they may come back to it. But what has actually happened is that the ones who have endured and come through the process, when they do submit registrations into us, the turnaround time is faster. Why? Because of the way how the system is actually working, it does pre-checks in terms of submissions coming in.

So where we – let us say in the manual system have a checklist of all the things that may be required in order to conduct registration of a particular type of registrant or a particular type of product and persons submit a registration package to us and then the SEC has to actually go through and itemize and determine if all of these things came in, what the quality of these documents are, et cetera, that has been removed or the pressure of that has been removed off of the SEC to the registrants. So when the registrants are submitting to us, they have to ensure that they submit the entire package before coming to us so that when we get it, it is a full and complete package that we could actually take and progress.

In terms of the numbers, as I said, you know, it is not as much of an uptake as we would have liked where it is at about 10 per cent of our registrants being fully on-boarded and you have to be fully on-boarded first before you can actually access all the functionality associated with the system. It is something that we thought about internally in terms of what we can do to progress this uptake and things that we can actually put in place. We have actually started to have liaison officers working directly with registrants to get them through the entire process, one point of contact, someone who can actually guide them through everything to get it to the end. And also what we do intend to do as well is promote the difference in terms of timelines that we see when persons actually utilize the registration system.

Madam Chairman: Thank you very much.

Ms. Lucillio: You are welcome.

Madam Chairman: I would not say – I thank you for your patience because you have been waiting here all day to be able to say your piece. Now, if I say we saved the best for last, the others would get jealous so I would not say that but I am very grateful that you had all this enthusiasm and verve at the end of this long session. But we are still not finished with you because we still have to have our closing remarks and so we begin with Central Bank and we are keeping it short and sweet.

Dr. Hilaire: Yes, thank you very much, Chairman. First of all, I would like to thank the Committee for this timely focus on fintech at this high level of Parliament but also in a way that reaches the general public, we think that that is very important and we think that the momentum will build tremendously from this intervention. We have learnt a lot from this exercise and the penetrating questions asked including on: one, legislation such as – and we will look at the 2020 Bahamas legislation; two, the need for even greater collaboration among regulators; three, the primary role of law, the security agencies and the Judiciary in helping to enforce measures; and four, the primacy of educating the public appropriately.

So the Central Bank stands ready to contribute, educate, assist in facilitating a modern, efficient and safe fintech solutions in Trinidad and Tobago. Thank you.

Madam Chairman: Thank you. Ministry of Finance.

Ms. Taylor Lee Chee: Madam Chair, like the Central Bank, we are very grateful for this session today. We have certainly taken away a lot of information and we do intend to focus our attention more on getting a cohesive strategic direction, having a greater outreach to the Ministries and we will get back to you on all of the information that we had promised in the shortest possible time, so thank you again.

Madam Chairman: FIU.

Mrs. Dowden: Yes Chair. Likewise, the FIU is eternally grateful for being able to be part of this Committee and to be able to share our views on this topic and also to hear from the rest of the members what their role and responsibilities are so that we can all try to contribute and assist each other accordingly. We look forward to the outcomes of this Committee and the recommendations that could be made that can benefit not only the FIU but the greater financial, social and economic environments in Trinidad and Tobago. And we will also endeavour to provide the Committee with the information that it requested of us today. So thank you very much.

Madam Chairman: Securities Exchange Commission.

Ms. Lucillio: Thank you. We would also like to thank the Committee for engaging the supervisory authorities and the Ministry of Finance on this because it takes that level of collaboration to progress this matter. It is hoped that coming out of this that the areas of concern which may hinder the development of fintech in Trinidad and Tobago will be contemplated and any assistance which could be provided to advance this area would be appreciated. We also remain available to address any other questions that may come out or arise out of this. Thank you very much.

Madam Chairman: Thank you all very much for coming here today, taking time off your busy schedule. It is not often we get to hold the head of the Central Bank captive for quite a while. So I thank you very much today for all the education. I think the members of the public as well as we are, you know, better informed than we were before and we recognize that in fact this is something that is going on. Perhaps we were not giving a name to it but we can see the benefits, the speed and you know, because sometimes you put something in the bank, you put the money in the bank to send to – and before it reaches the person, you know, the bank is holding the funds for a long time. So now you see the speed of the transaction, the security of the transaction.

We see though that there is still a lot to be done in terms of people need to put in strategic plans, the various entities, you know, we see that there is need for collaboration within the organization and among the organizations and also with those abroad which is already started. So I am grateful that you all recognize, those of you to whom it is applicable, that you have homework to do and you will be doing that homework and we look forward to receiving that. So there are many benefits and I am sure that the public is very grateful for what you have brought to the table this afternoon and we will continue with our next session.

I would like to thank the Committee members who participated remotely in this virtual hearing. Thank you very much for your incisive questioning. And this is perhaps my last opportunity to say to my former Vice-Chair, Mr. Rambharat, you know, thank you very much for your contribution once again and on a next occasion, we will have an essential deputy who will be sitting to assist me and you know that, perhaps a hard taskmaster.

I am very, very grateful also to the viewing and listening audiences who sent questions and of course, we are going to look again at those whose questions have not been aired, we will again look to see how we can use those questions. And I must thank my left hand, my right hand, my very able supporters, the staff of the Parliament who are always there to offer all the support, logistical and otherwise. They do a lot of work behind the scenes and we are eternally grateful to them and I wish them continued good health. Yes? So that you will be—*[Laughter]* Well, we did not have one last time, so that all of you will be well to continue this tremendous work.

So thank you, all of you. It has been a long session. We took advantage of the fact that there is no House sitting this afternoon and I am truly sorry I do not have lunch to offer you but enjoy your lunch.

Mr. Scotland: Thank you, Madam Chair. May I be relieved, please?

Mr. Gonzales: Thank you very much, Madam Chair. Thank you, everyone.

Mr. Scotland: Madam Chair, may we be relieved?

Madam Chairman: Yes. The meeting is ended. Thank you very much. Of course, if you want to remain—

Mr. Scotland: No. *[Laughter]* No, Chair, we do not want to remain. Bye, Chair.

Mr. Gonzales: Thank you, Chair.

Ms. Lucillio: Goodbye, everyone. Have a good afternoon.

12.53 p.m.: *Meeting adjourned.*

VERBATIM NOTES OF THE ELEVENTH VIRTUAL MEETING OF THE JOINT SELECT
COMMITTEE ON FINANCE AND LEGAL AFFAIRS HELD (IN PUBLIC) ON FRIDAY,
MAY 27, 2022, AT 10.01 A.M.

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Keith Scotland	Member
Ms. Jayanti Lutchmedial	Member
Mr. Terrence Deyalsingh	Member
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Ria Rampersad	Graduate Research Assistant

ABSENT

Mr. Hassel Bacchus	Member
Mr. Marvin Gonzales	Member
Mr. Saddam Hosein	Member

FinTech Association of Trinidad and Tobago

Ms. Maria Daniel	President
Ms. Helen Llanos	General Manager

Trinidad and Tobago International Financial Centre

Mr. John Outridge	Chief Executive Officer
Mr. Carlos Newton	Manager Financial Systems Service Delivery

WiPay (Trinidad and Tobago) Limited

Mr. Aldwyn Wayne	Chief Executive Officer
Mr. John Mollenthiel	Chief Strategy Officer

Madam Chairman: Good morning everybody. I would like to welcome you to our public hearing, the second public hearing into the enquiry into: The implementation of a regulatory framework for the development of financial technology (FINTECH) and e-payments.

I would like to welcome the viewing and listening audience to the Eleventh Meeting of the Joint Select Committee on Finance and Legal Affairs. So today we are in fact convening the second public hearing pursuant to the enquiry, as I said before, into the implementation of a regulatory framework for the development of financial technology and e-payment.

Members of the listening and viewing audience, we invite you and welcome your participation and ask that you send or post your comments via the Parliament's various social media platforms: Facebook page, *ParlView*, the Parliament's YouTube channel and Twitter. We value your input. I would like to welcome official of FinTech Association of Trinidad and Tobago, Trinidad and Tobago International Financial Centre, and WiPay (Trinidad and Tobago) Limited. I am the Chair of this Committee. I am Hazel Thompson-Ahye, and I am now inviting members of the Committee to introduce themselves.

[Introductions made]

Madam Chairman: Thank you very much. Before I invite the officials to introduce themselves, I would like to apologize for our late start. We were in fact awaiting a quorum and that delayed our start of our meeting and the public hearing. So, we have before us today FinTech Association of Trinidad and Tobago. I invite the officials to introduce the team please.

[Introductions made]

Madam Chairman: Officials of Trinidad and Tobago International Financial Centre, please. Introduce your members.

[Introductions made]

Madam Chairman: Officials of WiPay (Trinidad and Tobago) Limited, please introduce your team.

[Introductions made]

Madam Chairman: So welcome to Trinidad and Tobago International Financial Center members and officials of WiPay.

The enquiry objectives are, one, to determine the extent to which fintech is available for use in the local economy and projections for its growth. And secondly, to examine the challenges that may arise with greater fintech use and the sufficiency of regulatory measures.

I now invite to make brief opening remarks, a maximum of two minutes, Ms. Maria Daniel, President of FinTech Association of Trinidad and Tobago.

Ms. Daniel: Morning again. Looking at the objectives, let me just give you our role in fintech, and first of all for everyone to understand in very layman terms fintech is really using technology to provide financial services. And in its widest sense, it is banking, it is insurance, and when we talk about banking, it is payment solutions, lending, investments, wealth management and providing insurance services and even regulatory services, but using technology as the vehicle to deliver these services.

So the FinTech Association was actually born around 2020, coming out of an exercise that the TTIFC actually engaged upon to really explore Trinidad as, you know, how do we get our ourselves in the fintech space. And there was a roadmap that was created for the country to move towards effectively, a digital economy and more of a cashless society. Because we are all aware of the issues we have with too much cash in our system right now.

So the association was really the vehicle that will bring together the stakeholders, the members, professional services, individuals, students, people who were interested in the fintech society, people who were interested in getting fintech moving in Trinidad and Tobago. So the association is really there to bring members together, stakeholders together, deal with the regulator, be that voice for the TTIFC, working with the TTIFC to actually build the sector in Trinidad and Tobago. So in terms of your objectives, understand that technology and the reason that technology is being introduced as the vehicle, is to reduce

transaction cost, and to make available financial services that would not be available in far regions, where before, a bank would have to set up bricks and mortar, staff and it would be uneconomical in certain regions to have those banking services. So the benefit of fintech is really – and John will use that word much more than me – financial inclusiveness. It is really to ensure that services are available for everyone at an affordable price, and it is not just about payments and transactions, but it is about getting access for SMEs for lending. It is about lower cost, insurance products.

So when you look at it from an economical perspective – and I will stop here because everybody else on this panel will have a lot about this to say – it helps your entrepreneurial companies to also grow.

So, it is definitely a vehicle and a driver of economic growth and, yes, there has to be a framework that protects anything that involves money. But it also has to understand that the old regulations may not be the regulations that will work for a fintech solution. So I will close there.

Madam Chairman: Thank you very much. Perhaps, we can now hear from Trinidad and Tobago International Financial Centre, Mr. John Outridge.

Mr. Outridge: Hi, good morning, Chair and thanks. Good morning again members. Thanks again for inviting the TTIFC to be a part of what I think is a very important discussion regarding fintech. As Ms. Daniel was alluding to, it is basically a very good way in terms of how do we now also grow the economy from using this as a viable sector, but at the same time allowing people to be part of the formal economy, through financial inclusion. And in my brief opening remarks, just to give a little overview on the company, the mandate of the TTIFC was adjusted back in April 15, 2021, and that is how the company is focusing really on three key areas which, again, is going to be tying in to a lot of the discussions today, and representatives from some of the members here on this call, where we are looking at increasing financial inclusion, via fintech, driving the digitization of payments across the public sector, allowing Ministries, departments and agencies to leverage fintech technologies, as it relates to receiving revenue, as well as disbursing funds to citizens. And also, through those two exercises, establishing Trinidad and Tobago as a fintech-enabled hub.

The theory is, once we start to drive digitization, using the Government as a catalyst, that will create the business case for the rest of the sectors. It will allow us to understand what are the gaps, what are the regulations, the policies, that we need to put in place for Trinidad and Tobago really moving towards a cashless society.

Madam Chairman: Mr. Aldwyn Wayne, Chief Executive of WiPay now.

Mr. Wayne: Thank you, Chair. Good morning members. So WiPay, which was founded in Trinidad and Tobago, is the Caribbean's largest payment facilitator. WiPay was created to embody everything that Maria and John just spoke about, which is financial inclusion. So we created a platform that would allow for everyone in society, whether it be big businesses or the doubles man, to make and receive payments digitally.

The goal of WiPay was to grow this so that the Caribbean could see or be part of the new industry, the fourth revolution, the digital revolution. Because we make products here in Trinidad and in the Caribbean that the world consumes, getting those people paid will be the catalyst for growing this industry. And that is why WiPay was founded and was created, so that everyone could be paid no matter the size of your business and what we sell. So now we could partake in that fourth industrial revolution. So that is WiPay, and that is the goal and mission that we are on.

Madam Chairman: Thank you very much, Mr. Wayne. We will now commence the questioning. And I want to remind everyone, committee members, officials, to direct their questions and concerns through the

chair. Activate the microphone on your devices when you are acknowledged, given permission to speak, and turn it off when you have concluded your contribution.

We will commence with officials of the FinTech Association of Trinidad and Tobago. And we thank you for your submission and you are free to choose who will respond to the questions directed at your agency.

Now, when we look at objective one, to determine the extent to which fintech is available for use in the local economy and projections for its growth, and on page two of your submission, you stated that fintech plays a pivotal role in facilitating all of the stakeholders and players in the fintech space. Tell us, what additional measures should be implemented, you think, to engage all relevant stakeholders? You know, of course, you have something that is relatively new and some people will feel that they have been left out of the process. So, tell us what additional measures you are going to use.

Ms. Daniel: So, let me start with some very basic fundamentals for this to work. To build fintech is what I call a community ecosystem. So what do I mean by that? For a fintech company to work, and Aldwyn would have experienced this, is you have to have adoption. And what do I mean by adoption? You have to have all members of society using some of these solutions for it to really be effective. And for that to work in a small country like ours with 1.3million people, you have to have the Government, the regulator, the availability for financing, and then you have to have the general public participating. So, in terms of your comments about some people feeling they are left out, the TTIFC, and John would probably talk about this a bit, just had workshop, a three-day workshop, trying to do exactly that, which is to pull together a lot of the stakeholders so we can have general discussions.

We the FinTech Association have been meeting with the Central Bank of Trinidad and Tobago and will continue to do so, to talk about the issues around the regulations, the policies, helping fintechs actually get the approvals to be up and running. And that is one of the stumbling blocks right now; it is having a framework that is supportive of a fintech company and its operations whilst ensuring, of course, there is risk management and protection.

A fintech is very different from a traditional bank, and we need to understand that. And, therefore, some of the discussions and dialogue we are having with the Central Bank is: How do you now create policies that take into account those differences, but also allow the regulator to do its job? Right. So when we talk about what measures, we need to be little quicker, well, not little, on lot quicker with legislative changes.

I wear many hats in my life, and if I take, for example, how long it took for the Insurance Act to pass, if we were to do that in the fintech space, we would be a hundred years behind the rest of the world. So I think it is important that we understand. And if we want Trinidad and Tobago, and I know this is TTIFC's, one of their biggest mandates, to be a leader in the financial services sector in the Caribbean, we have to have innovative legislation, forward-thinking legislation. We have to have regulations that support but protect, and we really need to get government as a user of the services. And I think that is where the TTIFC is really trying to start with. So the Government needs to be that user of the services because, again, as told you at the beginning, this is about building an ecosystem. And you have to have merchants, and you have to have customers, and you have to have players, in order for this to be effective.

So Helen, I do not know if you want to add anything there?

Ms. Llanos: Yes. Just to add to what Maria is saying, what we are also doing, and she spoke to working or collaborating with the existing bodies in the space, such as the TTIFC, Central Bank, et cetera. What we are doing is educating, as much as possible, the widest range of the publics that we can. So we have on hackathon, which is going to be launched at the end of June, running through to August, which will reach

out to all of the interested parties who want to get involved in hackathons. It could be from under 15, over 15 into their 20s.

So you talked about earlier, inclusivity of the entire country and the ability for everyone not to be left out. The hackathon, although it culminates in a final day when the ideas are presented, between June and August, we also have what we call member spotlights and financial education spotlights which are open to the public. So those will be advertised as well. So everybody can get involved in learning about fintech, as well as financial smart, if you want to call it that. So the hackathon is one of those.

The second one, we have committed to work along with Central Bank to help them or assist the applicants for the e-money order, et cetera, to understand the nuances of the regulations and why they are important. Because many times fintechs are born out of technology. And technology, there are other areas within a business that need to be addressed to ensure that that technology is safe and secure. Because we hear about cybersecurity all the time, and part of that regulation is to ensure the safety of those payment vehicles.

Ms. Daniel: Thank you, Helen.

Madam Chairman: Thank you.

Ms. Daniel: And just if I could add, Chair, seeing that I have this audience. What do we need to make fintech work, and where Government is pivotal in this is just starting with the national ID. I know there have been talks about it. There has been some work being done with it, but if we had a national ID, one unique ID for everyone, the KYC, and being able for these fintechs to offer solutions, will be solved. And this is where we need government to play a pivotal role. There are certain foundations and Aldwyn and John will, I imagine, talk about this, that have to be there for this to work. And it is in everybody's benefit. As John said, it is an economic growth enabler. The rest of the world talked about digital economies. We cannot have digital economies without digital financial services.

Madam Chairman: Thank you. Have you conducted any, or are you conducting any research concerning development of fintech in Trinidad and Tobago?

Ms. Daniel: Well, what we have, as Helen said, is we have our members. We talk to our members. I mean, there have been many research papers done. So I do not think I am going to add to that. The question is: What are we doing with the results of the research papers that have been done? So, there has been some research done by CAF, I remember either last year or the year before, John you would know better than me, looking at: Do we have an unbanked population? And I think the conclusions are we actually have more of an under-banked population. And what that means is people can have access to bank accounts, but may not have access to all the services. We do have some unbanked. The question is: Are they unbanked voluntarily or because they cannot get into the system? So that is kind of the work we are doing. Because in order for anything to work you have to have users. So the most important thing is really getting users. And how do we get users? So Helen spoke about public education. So that is what we are trying to do. We are working with the TTIFC. We have been talking to UTT in the past as well, of how do we get this public education out there so that people will use the services. So that is more where our focus is. I do not think doing another survey is going to reveal anything that we do not know already.

Madam Chairman: I see. Mr. Scotland?

Mr. Scotland: Chairman?

Mrs. Lutchmedial: Sorry, Mr.Scotland. Okay. I think he is giving way. Chair, through you, could I just ask a quick question, because Ms. Daniel mentioned the national electronic ID registry? Do you believe, or is it the feedback that you are getting from the research conducted that there is a concern about the security

of digital records such as national identification, and so on, on the Government side? Because there – recently we have seen, for example, information about cyber hacking at private institutions, and so on.

And do you believe that the public, the public that you interact with and try to educate, and so on, and you try to get buy-in from them, that they have a concern about the State having digital records and about the security of their information? I place this in the context that it has arisen from time to time that we still do not have a fully rolled out and implemented Data Protection Act. And that concern has been expressed to me from time to time. So what is your view on that, and about the safety and security of digital records which, as you say, could help promote and enhance the rollout of fintech?

Ms. Daniel: Yes. And you are right, and I think that people have that concern but it goes back to knowledge. Right? So if you think of where technology has gone in the block chain, which is a very secure system, the question is: What is the technology we are going to use? How do you make the public feel comfortable? And this goes back to trust. So this is trust more of the Government. But the Government has your records anyway, manually. Your passport information is there somewhere. Everybody's date of birth.

So, I think the solution is in people understanding the security of the technology, right, and block chain and distributed ledgers are definitely very secure. I do not know why we in Trinidad and Tobago think we are any different to the rest of the world. It is being used everywhere else. So, I think it is about again the education and people understanding how it is going to work. How access is available, who will have access to it. And just so answer your specific question on the data privacy laws, that has to be passed, again, for people to feel confident around it.

Ms. Llanos: All right. Can I just add to that? So I take it from a different angle. For me, the electronic ID will help fintechs who have a solution, meet the KYC and AML requirements. Because right now, for example, in the financial space, each finance house has their own KYC/AML infrastructure. If you want to create a little wallet, for example, and you want to onboard people, especially under-banked who do not want to go into a financial environment and you ask them to upload their information, there is nothing to check it back against. So it then becomes very onerous on what I call the small fintechs to build an entire KYC/AML infrastructure to meet the regulators needs. So if there was a national electronic ID system that they can check the information against quickly, this would also enable fintechs to grow.

Ms. Daniel: And that goes back again to people understanding how it will also benefit them. It will make doing business in Trinidad so much easier.

Mrs. Lutchmedial: Through you, Chair, just one follow-up. So, just to be clear, what you are envisioning is the Government, basically, building out an infrastructure that would facilitate easier KYC, and so on, and the fintech companies, if you want to call them that, having access to it, but it is not to a public type thing. Right. And that could also bring on board all the financial institutions, all of the non-financial institutions.

Ms. Daniel: Correct. And I was now about to tell you that.

Mrs. Lutchmedial: Right. There are a lot of small organizations, jewellers, car dealers, attorneys, who have to do this type of work. So you are saying that everyone who comes under the proceeds of crime law as a listed business and the financial institutions could be able to access this database and make their KYC onboarding process a little easier.

But my specific question was really whether you feel, on the Government side, you said you believe it is very secure and the technology is there for it to be secure and it is all over the world. I think that the concern that people have here is the Government having this system and it being secure and not being able to access.

Ms. Daniel: This is why I said trust, right. But you know, it does not have to be the Government. It does not have to be the Government. It could be the banks and the insurance companies come together. And understand this, the customer still has to give the approval for somebody to get the access to the database. So, you know, you are protected there. I mean, to me, it is best within government in a trusted environment. How we structure that, it is really up to looking at different options and different frameworks that have worked in different countries and really looking to see what which one best suits Trinidad and Tobago.

Mrs. Lutchmedial: Okay. Thank you.

Madam Chairman: Thank you. I think Mr. Scotland had a question.

Mr. Scotland: Chairman, through you, in your submissions you stated that a helpful tool will be the standardization of the EMV QR Code standard and consideration of the ISO 2022. That is at page 6. Has fintech engaged the Government with a view to obtaining support to standardize the technology that will support the introduction of additional fintech products?

Ms. Daniel: Helen, I am handing that one, because I know that is your baby.

Ms. Llanos: The standardized QR Code is critical for interoperability between all the various fintech payments and bank payments that will be coming along, anything that is in the e-space case.

So, in Singapore many years ago, everybody came out with a QR code that was different, and some were not as secure as others, and it led to fraud. So, what we are working on, or what we are putting forward is a standardized EMV code and that code put out by EMVCo is really a very secure standard and I would like to recommend that we go with one.

10.30 a.m.

Have we approached Government on this side? We have started talking. I did do a presentation to the TTIFC a while back on it. But in terms of pulling together more of the stakeholders, we still need to do that, yes.

Ms. Daniel: And just for the listening public, and there is a lot of technical knowledge, you know, jargon there. All this means is that all financial services, all banks, all, everyone can speak to each other through the technology. That is what “interoperability” means. It means enabling easy transfer of funds between different financial services.

Mr. Scotland: So, could you tell the listening public and tell the Committee, Chair, through you, what has been the general feedback from the Government?

Ms. Llanos: Can you rephrase that for me, Keith?

Ms. Daniel: Well, I do not think—honestly, I do not think Mr. Scotland that we can answer that question because that is not really where our association comes in. I think maybe if I may suggest that, you know, the TTIFC can respond to that, because they are really what I will consider the flagbearer. That is the term we can use in the roadmap between Government and the sector and pulling together what Government needs to do, and working through Government and what the fintech services need to do. John, I hope I am not putting you on the spot there.

Mr. Scotland: Chairman, would you allow that question to be answered now?

Madam Chairman: Yes.

Mr. Outridge: Okay, I would take that cue. Morning, member Scotland. So coming off of what Maria would have mentioned, and this is one of the key things the IFC is sort of focusing on because our focus till the end of the year, you know, we are basically putting all our efforts in terms of working through the public sector to enable these sorts of various fintech-type payment facilities, right, because what we are trying to promote is financial inclusion, not financial exclusion. So from the point I was referenced from Helen and Maria just now in terms of suggestions in terms of the standardized and working with companies like EMVCo, right. And, just for the audience for the technical terms, EMVCo basically represents the large card networks of the world, MasterCard, Visa, et cetera. So those are the companies that sort of mandate standards, and sort of control the security and basically run all of the financial rails that allows us to transfer money back and forth.

So in terms of where we were, and I know Maria mentioned we are coming fresh off our three-day workshop last week, from the 17th to the 19th where we basically had meetings with the joint regulators, the Central Bank, the SEC, members of the Government, Ministry of Finance, the Treasury Division, other entities who are also part of the Government Roadmap, as well as the fintech community, to really sort of discuss and sort of map out what is the sort of architecture that we need to be focusing on. Because I know we were looking at the last JSC and this was something – Again, this is very important why these JSCs are held so that we can understand where the gaps, and where we need to do better and address was the lack of coordination amongst all of the stakeholders and the parties, right. Because we do have fintech high on the agenda in the country.

WiPay is here. WiPay has been doing what they have been doing for a long time, you know. FinTechTT ourselves, we have the regulators who have also been looking at fintech, as well as the Government. So one of the key things coming out of that workshop was again, to what Helen mentioned, we basically need to develop a roadmap in terms of what will fintech in Trinidad and Tobago, in our current context, look like, and what do we need to start with first, and what are the enablers that we need to make the investments in order for us to really move towards that cashless society and sort of leap frog the rest of the region.

Mr. Deyalsingh: Chair, if I may ask a question please, through you?

Madam Chairman: Yes, please proceed, Minister.

Mr. Deyalsingh: Ms. Daniel spoke about adoption earlier. I want to ask: What has been the rate of adoption? I would imagine the private sector is going to be the innovators and early adopters of this technology. What has been the rate of adoption of industries like the banking industry for mortgages and loans? The insurance industry for insurance products? And, maybe, brokers for their stock – for selling stocks and so on. What has been that? Do you have any information about percentage basis? What percentage of mortgages are done via fintech and so on? Thank you.

Ms. Daniel: I will start but I will ask anybody, especially WiPay, to jump in here. So they have – I mean, your question is actually many different sectors of it. Right? So let us start with you have the banks trying to work with fintech solutions. Right now that is how it is really working except for WiPay. And WiPay still has to have its own affiliations, and I do not want to speak for WiPay.

So when you are talking about fintech solutions, right, we are looking at financial services, and being able to do that online or digital. So right now, what has plagued, I would say, our legacy or our traditional banking sector, and the insurance sector is really the technology part of it. So they have huge legacy systems, and to be able to be agile now, to do all the digital solutions, is difficult. And this is why fintechs, which are usually start-up companies, have been born, because it has been difficult for the banking sector, and the legacy systems to really get digitally, you know, as advanced as they should be.

Now, if one unknown, you know, Mr. Deyalsingh, this is up your alley, but your COVID actually helped us there. So, you know, COVID has actually one very big benefit from it. It is the adoption has rose significantly. So online banking solutions have gotten a lot better. Where they have improved in the last, I would say 12 to 18 months, was much quicker than what we would have seen in the last decade. So – but one of the things, you know, a lot of the insurance companies, et cetera, were saying is digital signatures were not accepted before. So a simple thing like in your regulations to allow digital signatures are important in order for the same question you have there for it to be enabled. But I will stop there and let the other members of the panel add to that, especially WiPay from the technical side, and John and Helen, of course, if that is okay.

Mr. Wayne: Yeah, I would take the cue, like John said, from you Maria. Yes, member Scotland. Adoption, as Maria said, COVID accelerated adoption, but prior to COVID, you know, we were seeing, you know, great use of our platform because of the problem it fixed, right. And just taking a step back in terms of how we understand the word “fintech” and what we understand it to mean because, I mean, I am kind of sensing you know, it has gotten all bulked into one thing, but fintech is not actually like a pod per se. It is financial technology, right, how you use technology to aid the financial industry. And it could go from banking to insurance, to as Maria mentioned, KYC onboarding, right. So, it is not one thing specific, per se. It is the industry on the whole. And for us, you know, within the last couple of years, I mean, we are like four years old, five years this year. The adoption is based on being able to get or meet people that their point of understanding or their point of need.

Now, we did CourtPay in Trinidad two years ago, and during COVID, it was mandated that for maintenance payment you use CourtPay. Now you have 100 per cent adoption of everyone who has a maintenance payment to use the CourtPay platform, all right? It had, I think, two laws passed by the AG at the time, Faris Al-Rawi, for payments in and out of court. Legislation was put in place, adoption was, you know, spotty at first because you had, you know, the Law Association, you had just people within the industry saying, “Hey, why are we trying to force people on technology”? And then literally a month after, you hear the AG come to Parliament and say, the only thing that was working during the earthquake was CourtPay because all the courts were shut down. And then they went further to make it work during COVID as the only way to pay your maintenance rather than going to the courts.

So for adoption, you know, both Maria and John articulated, you know, Government or state entities would be the driver for it. COVID did help but it does start at, you know, the Government or the state entities angle because of the fact that in the Caribbean, those are the largest employers, those are the largest customer bases, right. And people would adopt it, right, as we have, I mean, we could attest it when we start, I guess, on our questions. But just to answer your question, yes, adoption is there, COVID did help it. And I think the industry on the whole, the fintech industry on the whole, because what you are seeing happening globally, and because we are so connected by social media, and all these platforms, Trinidad, and the Caribbean by extension, is very ready to use financial technology services that fit their needs, fit their pockets.

Mr. Deyalsingh: Could I ask a follow-up question, Madam Chair? Because, the gentleman made a very important point and we must remember that this is a public hearing and I think the average person in the street looking on would be glad to hear about CourtPay and maintenance services being able to be met digitally. Could you tell members of the public who are viewing this – Speak to them. Speak to them who do not know about fintech. Speak to them and tell them in addition to these maintenance payments, what other payments can they make via fintech to make their lives easier. Speak to the man on the street.

Mr. Wayne: Thank you, hon. Minister. I guess I “gonna” do a little WiPay PR here, but the Minister put me on the spot, but yeah. So, CourtPay, which was introduced in 2018, the problem that in Trinidad we had to

fix was the Judiciary had things like 27 courts spread out across Trinidad Tobago. And, if you had a maintenance matter in Point Fortin, right, and the matter was agreed upon that you make payments into court in Point Fortin, and you happened to move to Port of Spain, every week, you had to go back to Point Fortin because your files were right there in Point Fortin. Both the payer and the recipient of the matter had to drive back to Point Fortin, regardless of if they live in Port of Spain now, or Tobago, they must go back to that same court to make the payment and get it out. It was all stored in a drawer. The Government – or sorry, the Judiciary, had millions of dollars in wooden drawers in courthouses.

Mr. Deyalsingh: So I understand that. I am asking you to talk to the taxi driver, talk to the layperson, outside of CourtPay. What other avenues exist for them to make payments that will make their life easier? I am giving you an opportunity to sell this to the average man on the street.

Mr. Wayne: All right. So beyond CourtPay, which means we are free to make payments into court, we did work initially with the Ministry of Trade. And you could pay for your barrels and stuff online via the Ministry of Trade's website. You know, we had – I do not see member Gonzales – we did work initially on the UTurn system, but we could talk about that later. There are a number of online solutions that we have worked on but, you know, in my contribution later, I would mention why probably it did not reach to the fore. But there are systems beyond CourtPay, Ministry of Trade being one, that you know, in Trinidad and Tobago, are ready to go online, just waiting, like final approval. But there are a number of solutions that, you know, within the last three years within Government and state agencies have, you know, reached to that finish line for utilizing fintech technology for the citizens of Trinidad, Tobago to make payments into government and state entities.

Ms. Daniel: Yeah, but let me just –

Madam Chairman: Mr. Wayne – sorry –

Ms. Daniel: I wanted to add there – specifically the answer to this question, right, the truth is there are not enough services available to pay the way we are speaking about and this is what the whole drive for is to build the sector. Because there are things, there are different, there are still regulations and frameworks so people who have products cannot bring it to the market. Right. So, one of the –

Mr. Wayne: Just to clarify, I was not saying there was enough, eh.

Ms. Daniel: Yeah.

Mr. Wayne: The Minister asked me to point out a couple of them.

Ms. Daniel: That is what I am saying. No, but I am answering Minister Deyalsingh here to sell it. So you have – let me just go back a little bit because you asked about mortgages and lending and stuff like that. So you do have solutions there. You have term finance. They are all using technology to grant loans faster, et cetera. But again, you know, WiPay is trying to bring a solution and they have, but it is not broad enough as yet. We do not have real wallets working. Endcash is trying for Republic Bank but you still need a credit card to build up your wallet.

Mr. Wayne: Sorry, let me jump in because this is a public hearing and I think I want to make sure the proper information is out there. Misinformation, I think is the biggest problem we have in Trinidad –

Ms. Daniel: Agreed.

Mr. Wayne: – of what fintech and the value of fintechs are. WiPay has been successful. We process hundreds of millions of dollars every single month, hundreds of millions in Trinidad, right. Tens of millions sorry, in Trinidad, hundreds of million across the Caribbean. And, why we have been successful, because

fintech is not, like I said, a product or a brand. Solutions are not solutions that you build because you are trying to make money. You have to fix a problem. And there is a bunch of people tossing up, “Oh, I have an app or I could build fintech”, and it is not fixing a problem, right. If your solution does not fix a problem, then it would not get adoption.

WiPay has been blocked every single step of the way but we have great adoption because we fix problems. So my – and you know, my position here today, you know, coming in as the leader in the space in the Caribbean, right – I just gave this speech last week in Washington DC. What the advancement of fintech is in the Caribbean is based on solving solutions, right. Not depending on, you know, adoption from only state entities, and, you know, government entities, which is the main driver, of course. But before you get to state entities and government entities, you need to solve a problem. You need to solve a problem that, you know, would make the lives of everyone, citizens, users of your platform, better. And if all you doing is say, “Hey, I have an app that can do, you know, mobile wallet”, what does a mobile wallet solve in the Caribbean? Our islands are, what, 10/20 miles across. I would much rather meet you in Port of Spain and give you the cash. So you are keeping us – our industry – back, if all you are doing is trying to say, “Hey, I am mimicking something I see in Kenya”. Because Kenya is hundreds of miles across.

So I would love to send you money where I do not have to, you know, take a bus, you know, for five hours to get to you. But are we solving a solution if I am in Port of Spain, downtown, and you are, I do not know, in Newtown? And you are saying to me, it is costing me money to put money on an app, and then send to someone in Newtown, that they get like 2 per cent less. I am – “You got a second? Come downtown, I hand you de money.” You are not fixing a problem. You are causing a problem and that is why the industry has a bunch of products that are coming into the market failing – fantastically failing – because all you are doing is spending money on marketing that is not fixing a problem. And –

Madam Chairman: Mr. Wayne, if I may. Mr. Wayne, can you use CourtPay to pay court fines?

Mr. Wayne: Yes, CourtPay –

Madam Chairman: All right.

Mr. Wayne: Yes, so CourtPay was supposed to start off at the maintenance level and then every payment in and out of court was supposed to be a digital – down to lawyer fees, and so forth. You know, that actually is part of the law that was passed for payment in and out of court.

Madam Chairman: Yes, thank you. That is what member Deyalsingh was getting at. For you to say that in your everyday life, you are in fact using and can use fintech. You see, when you talk about fintech, it sounds like something so esoteric, you know, and that does not affect me. But here it is, that this affects a number – a wide range of people. So it is not what we are talking about today is not something that is remote. Because when you are talking about using your cards and so to pay your bills, fintech is simply financial technology using technology. So it is not something that is outside of people’s experiences, but things that you have been using, but not relating it to this strange word that has crept into our vocabulary “fintech”. It is something that we are indeed familiar with, without knowing it by that particular name. So it is in everyday use. It is. Of course, there is room to increase the use, but it is not something that is foreign. All right, so –

Mr. Wayne: Yeah. I just want to add CourtPay is over 40-something thousand people and if we are a population of about 1.-something, right, and CourtPay is only for adults with kids. Now, I think we are close to 1 per cent of the population using technology and something close to like 10 per cent of the adult population using fintech technology with CourtPay, just to add to that.

Mr. Deyalsingh: And Chair, that is why I contextualised my question to ask members who are responding, talk to the man in the street. Because you are quite right, Chair, we have been using this. If I could use an

example. Money transfer, MoneyGram and all those things that have been in use in Trinidad and Tobago for donkeys of years. Is that an example of fintech? It is not?

Mr. Wayne: No, that is a legacy solution that you go into – I mean, you go into a location, they use digital technology for communication, you know, but you are not actually providing value to people using technology. They still walk with a piece of paper. They still write down, you know, “I want money”, they hand it to someone. There is no use of technology. Now, if I could send money from the US to you straight on your phone, hon. Minister, through an application, then I am using technology to help you with your financial situation.

Mr. Deyalsingh: Okay?

Mr. Wayne: That is a fintech service.

Madam Chairman: Could I be –

Mr. Deyalsingh: So my last intervention from a marketing perspective, I think if the fintech industry is to really catch a fire with the general public, I think the sellers of this technology really need to bring it down to the level that the ordinary citizen could understand. And not talk to ourselves as persons who may, you know, be aware of it. Just bring it down for the taxi driver, the man in the street could understand. So that is my last intervention. Thank you very much.

Madam Chairman: Thank you very much, member –

Mr. Outridge: Madam Chair.

Madam Chairman: – I think member Lutchmedial had her hand up for a little while, I do not want it to get cramped.

Ms. Lutchmedial: Yes.

Madam Chairman: So please, proceed.

Ms. Lutchmedial: Yes, thank you Chair, through you. I just wanted to ask a question based on what was said about CourtPay. Now, CourtPay was rolled out for maintenance prior to COVID and with the advent of COVID, we saw a couple of other payment methods being implemented by the Judiciary for the – to make payments. For example, our legal – Law Association fees and so on, we can do it now. Is there room – you mentioned other things that they could be used for in the Judiciary or perhaps other sectors. Is there room – you spoke about the UTurn system. You spoke about, I think another programme. You mentioned Ministry of Trade. Have these things come on board? Are they there? Are they ready to come on board, and if they have not actually been rolled out, what are the challenges that you are facing with rolling all those additional solutions that you mentioned?

Mr. Wayne: Thank you, thank you, member. Maria, I think I “gonna” give you a nod here, now. I think this is the point Maria was trying to get across. So yes, we have done some good stuff with CourtPay but then there are challenges in terms of enablement. After being very successful with CourtPay, the Judiciary was then told that they cannot move forward with expansion in some of these services by the Treasury because the Treasury added a new rule that a bank needs to provides this as the service.

Now, right there and then shows what the problem is, and that is where Maria I think was going. You have a working solution but then red tape steps in. You have a working solution, you know, CourtPay, for maintenance. The Judiciary wants to expand into other services because it is making it very convenient to pay into court. And then to open a bank account the Treasury told them, nope, you cannot open a bank

account to provide these additional services. When asked why, they said listen, there is a new directive and John Outridge should know about this because he was actually one of those people working on this thing. And the new directive is, you know, WiPay, who is a fintech technology company, we do not handle your money, we have a banking partner, right? So the court would have a direct relationship with the bank, but they are utilizing WiPay's technology, was told that we could not provide the court with the solution. The banks need to provide the court with the solution, and the Judiciary was like, no, the bank provides financial fiduciary responsibility of the funds, not the technology. But this direction came from the Treasury.

So the entire thing right now, so, I could tell you the fines and fees part of it was halted or stopped in 2020 because we require to open a new bank account because those funds were separate from maintenance. And that was stopped by the Treasury. I know John is probably working on something new but from since 2020 to now, we have not been able to move forward because of that red tape that came up.

Mr. Outridge: Yeah, and Chair, I think it might be a good opportunity, as Aldwyn was alluding, to provide some clarity, because again, this is a forum to provide clarity and to really bring it down to the man in the street as to why fintech may not have sort of accelerated the way it was, and some of the work that the IFC is doing in relation to what Aldwyn has mentioned, and using the CourtPay as a perfect example. So just to provide some clarity, and these are things that would have been expressed in the first JSC, you know, there are requirements in terms of putting supporting policies, regulations, and obviously legislative changes, to really promote the adoption in fintech, in government. Now, I am saying "government" in a more meaningful way, right. Because we do have the Exchequer and Audit Act, and the Exchequer and Audit Act is one of those key pieces of legislation that needs to be amended because that is really what governs in terms of how the State basically sort of receives money, right? And one of the key challenges within that gap and again, it is because it – when it was developed, it really was not considering all of these new advancements and the ability to accept payments in the way you need to accept payments. And to what Aldwyn was sort of alluding to, and this has been one of the key focuses from the IFC and some of the advancements, I guess, I would use this forum to sort of speak to, in terms of the challenges Aldwyn was sort of expressing, you have to have regulations basically developed which I would simply call "procedures and processes". Because, you have to understand from a Ministry's point of view that has been basically collecting cash, and reporting on the cash manually, right, in terms of how many hundred dollars, how many twenty dollars, how many five dollars, et cetera, and then that goes to the Central Bank.

So it is a completely new operating model, particularly from a finance perspective within Government, right. Now, notwithstanding that these regulations that need to be drafted, basically, regulations to prescribe to say if a government needs to collect money, let us say, via WiPay, via credit card, via cash vouchers, you need to have regulations basically drafted to instruct, and to basically guide the accounting officer within the Ministry in terms of this is how you need to treat with it. These are the sort of processes and controls internally that you need to put in place. And then obviously, these are the sort of considerations from a security – in terms of consumer protection and how you deal with the public in terms of enabling these solutions.

So Aldwyn was right in terms of there was that gap initially where there were not financial instructions developed to sort of treat with these new payment methods, and that has been the work of the IFC for the past, I would say, five months, where to date now, you know, the instructions to allow for online debit and credit card have been approved and passed back in 2020. That would have allowed these Ministries to start being able to accept credit cards. And then, of March this year, the Minister of Finance approved the regulations, again, using the Judiciary as a used case to now allow –

Mr. Wayne: John, John –

Mr. Outridge: – enable service providers –

Mr. Wayne: – I am sorry for cutting you, right, but –

Mr. Outridge: – agents and so forth.

Mr. Wayne: – I think we need to provide facts, right. It took the Office of the Attorney General and Ministry of Legal Affairs six months to get two laws passed for CourtPay. We are talking about 2020. We are in 2022, right. Some of the instructions that are coming from the Ministry of Finance is that banks need to provide credit and debit cards. Credit and debit cards are digital payments, my friend. That is not fintech, right. That is not new technology.

Mr. Outridge: No to clarify I just – there are not any instructions to say banks need to provide it, right. I am going back to the –

Mr. Wayne: You are talking from your point of view –

Mr. Outridge: – regulator perspective –

Mr. Wayne: – I am talking from the instructions that were given to us via the Judiciary, why the system is paused and meetings that I had with the Treasury. I am bringing to the Chair and the members and people that are listening what is the issue. Since 2020, when CourtPay stopped, we have rolled out in governments of – in the countries of Jamaica, Grenada, Guyana, four versions of the same thing that we are talking about here and we are talking about laws to be passed in the last five months. I am saying the problem is that that whole narrative of “Oh, we need to create legislation”. We created legislation. How CourtPay has been working for the last what, 2018 to now, and not once the data breach. We use software and services from Amazon to provide you with security –

Mr. Outridge: Oh, I agree with you Aldwyn. I just want to –

Mr. Wayne: Hang on. Let me just finish my point.

Mr. Outridge: I want to clarify the term –

Mr. Wayne: Let me finish my point please.

Mr. Outridge: It is not legislation I am referring to, eh.

Mr. Wayne: Can I finish my point please?

Mr. Outridge: It is regulations which are required –

Mr. Wayne: Can I finish my point?

Madam Chairman: All right.

Mr. Outridge: – time frame.

11.00 a.m.

Madam Chairman: All right. Thank you very much. Thank you very much members, for your input. But since we have you on the floor, Mr. Outridge, we would move over to the Trinidad and Tobago International Financial Centre. Mr. Scotland has to leave, so I want to give him an opportunity to ask questions of you, before we lose him to another appointment that he has. So now you are on the floor, and we will return to Mr. Wayne later on.

Mr. Scotland: Chair, thank you very much. Chair, this question really – and it follows on from the discussion and the very interactive discussion – I would want to know Chair, how does the financial centre, how does fintech, how does WiPay: What are they doing to engage the public, the public in East Port of Spain, the public in St. James, the public in Woodbrook? What are you doing to educate and bring awareness? What programmes or what plans do you have in mind to bring the information to that segment of our society that will enable them to have confidence and to buy-in to the system? That is the first question.

Madam Chairman: Mr. Outridge?

Mr. Outridge: Sure. Thanks, Chair; thanks, member Scotland. And it is a good question, talking about the promotion and the marketing of these sub-services, particularly – and Aldwyn and Maria would have mentioned it. Right? We refer to them as the sort of underbanked. Right? Those persons who traditionally will not use their bank account, only for the purpose of employment, receiving their salary, but then choosing to basically withdraw the money and transact in cash. Right? And it is all about communication, and it is right, it is about education and financial literacy at the end of the day. Right? Now, and I think Aldwyn was making that point, and this is why the work as WiPay, as an example, being one of those first fintechs aiming at persons within that particular segment, because that is really where the focus should be, the persons who are not traditionally part of the formal economy. So, for persons who may be into that segment, and who may not have trust in the current sort of make-up of the financial infrastructure, your traditional savings account, your traditional banking products and so forth, right, those who may not even meet those sort of requirements.

And just allow me to give an overview and then talk about in terms of what we will be doing to sort of help engage that. So one of the keys things is, and in terms of the communication, right, there is one thing to communicate, but the other thing is you need to have something to say, particularly to those persons within that segment. Right? And, you know, as Maria would have mentioned, COVID would have accelerated a lot of different things to basically provide for persons, particularly, within that sort of segment.

So, in 2020, there was an amendment based by the Central Bank and the Ministry of Finance to basically allow for reduced KYC measures for persons who were receiving below a particular salary level. Again, this was to help provide them with the ability to go into a bank and not to be presented with onerous requirements, particularly, from a KYC perspective, so that they can open an account and be part of all of these salary grant payments and so forth. Right? Now, that was a measure and, again, these are things that need to have discussions and this is where the financial inclusion aspect comes from.

Another initiative, again, even from what we saw discussing when we talk about the role of fintech and kind of keeping it very simple, we need to have fintech in the context in terms of what we need here in Trinidad. I know Aldwyn sort of mention it. Right? We cannot be looking at fintech as simply a solution looking for a problem. We need to understand what are our problems, what are our barriers and challenges and what really is the segment of the population really need to move to drive the adoption.

Based on the work that we would have done, in terms of our surveys, yes, we do have a very high penetration level of bank accounts and access, but usage is extremely low. We have people who are not using their financial services, their financial products. Again, we do not understand what those things are. So, one of the key things, we are doing it from a communication perspective, this month we will be starting the work to do a national financial inclusion survey which is supposed to assist us in helping understand, from the communication point, meeting the man on the street: What really are your barriers and your challenges in terms of the financial sector? Are these products fit for you? Why do you transact in cash? You know, what do you do from your day-to-day? So that these things could then be used – this data and

this information could be used to assist entities like FinTechTT, the regulators, the Government. Public data to really help understand and sort of provide solutions for these persons within that segment.

This is why when we started, in terms of the work that we are doing, particularly from a Ministry of Finance perspective, our focus was not on looking at people who have cards to make payments. That is a very, very small percentage of the population, probably around 200,000 persons out of, you know, a potential working population of about 800,000, and then if you look at the general population, 1.3 million, as Maria said.

So, we started with looking in terms of the same work that Aldwyn would have mentioned: How do you leverage the payment service providers or those cash agents that are across the country that have over 3,000 different locations: the NLCBs, your Paywise, your Massy SurePay, your WiPay? How do you leverage those sort of technologies to get those persons who transact in cash to, at least, start participating and being part of that economy, being able to pay, for example, a fee or a fine with Judiciary or even on the inverse, being able to receive social disbursements via those same mechanisms?

So, starting with that which, again, that regulation has been approved. So anybody who is a PSP now, that method of payment has been approved to be used in government now. We are working on implementation. The idea is now working with the communication plan and the strategy to start to work with the Ministries that we do have as our sort of phase one Ministries, to really be the catalyst for payments. As Aldwyn mentioned, the Judiciary is one of those. They will be one of the first agencies to leverage that sort of payment, the Immigration Division, the Ministry of Trade, the Ministry of the Attorney General and Legal Affairs, the Registrar General's Department and the Ministry of Works and Transport. Because, again, these agencies deal with a very large percentage of the population, very different customer demographics and communicating—and that is why I mentioned to the conversation I was having with Aldwyn—the instructions are a very key part of that.

Because, again, what you do not want is for a Ministry to enable this new form of payment, but then those processes, the consumer part of it, how it is supposed to be used, how your people internal to the Ministry are supposed to behave in terms of if something goes wrong, how do they treat with the customer; all of those customer processes and policies are documented in those instructions. So that when that service goes live, because one of the obviously key things—and this is for any business—you are basically collecting payments digitally, but then your service delivery needs to match the pace and the speed in terms of how you receive those payments, meaning that if I get a payment for a birth certificate, that birth certificate should be distributed equally. So those are the—starting from that is where we will be seeing, as we do the implementation, we will be working with those Ministries to sort of communicate, again, outside of the inclusion survey with the man on the street, how do you use these services, because adoption is key.

Mr. Scotland: Chairman, through you—

Madam Chairman: Yes, certainly.

Mr. Scotland:—I have seen as part of the TTIFC's mandate that its responsibilities were augmented, and one of the areas is facilitating and advancing financial inclusion where needed in key segments of the society. Could I ask—and I want a very crisp answer—which segments of the society were identified as being in need of financial inclusion? Which segments?

Mr. Outridge: So, we do not have the deep data in terms of when we say specific segments in terms of your sort of personas. Right? Where we are starting from is that we do have a good sense of persons who are not within the financial infrastructure of the segment. Right? Those persons, for example, are from the social development programme, persons who do not have bank accounts as I mentioned, and persons who operate below a particular income level. That is why we are doing this national financial inclusion survey

to really understand. Because, again, when we used these terms “unbanked” and “unbankable” and so forth, it is very broad. We do not really have a deep sense in terms of where really are the challenges, where it is being experienced. Is it in south Trinidad, east Trinidad, west Trinidad or north Trinidad? We really do not know, you know. We kind of speak about it very esoterically. So this is one of the key objectives of this survey, to then come back to provide that.

Mr. Scotland: And when can you – because without the knowledge – and I do not know Chair, it could be me, sometimes I am thick between the ear, but without the knowledge, how do we then target if we do not have the target or the potential target group? Well, then we are just not being scientific? How? How?

Mr. Outridge: Well, I do not think it is. So, I know generally right and, again, we sort of see this, looking at, let us say, the State as an example, using that as a sort of indicator. Right now, government receives revenue and a large volume of it – although right now, you have the majority of cash and cheques and there are some government agencies that take LINX payments – you know, a large percentage of that is transacted in cash. Even with us discussing with the banks and so forth, the usage on those accounts, as Maria mentioned, we did participate in a study with the Latin American Development Bank, CAF in 2021 which, again, worked with the Central Bank and other stakeholders. So we did have some indicative data in terms of working with the banks and understanding that a large percentage of the population, because when we looked at some of the larger banks, the larger state banks, you know, they had account ownership, you know, about 600,000, 400,000 and so forth, but the usage simply was not there. It was simply, the statistics showed there was just accounts created because it was an employer sort of obligation, but the transactions were still happening in cash. So, again, this is where we are at. We are using that as a starting point, but we need to understand a bit more because that study did not cover that sort of in-depth details.

Mr. Scotland: And Chair, may I ask, piggybacking on that, have you identified any areas or any segments of society which are least prepared to make a transition to a cashless society? Please say, yes.

Mr. Outridge: Yes, it is our focus, but I cannot tell you we have identified the key segment. And when I say key segment, I want to be very clear from that, right?

Mr. Scotland: Yes.

Mr. Outridge: So, we do know that part of financial inclusion, there also comes gender equality, right, and there also comes in terms of when we are speaking about when we say segment, is it that we are dealing with women in society, single mothers, you know? Is it that we are dealing with, you know, adolescents? Those are the things that we want to drill down deeper in terms of, we do know that when we look at certain regulations and we look and certain practices by institutions, it is very difficult for a single mother to open a bank account, you know, or even a housewife. You need to get – there is a lot more different requirements that you would need to sort of go through, and these are the key things, as I mentioned, right, where we need to kind of get a lil more deep dive and really get some of that data. So, we need to come back to this committee and say where are the real key segments that we need to start with. Right now, it is very broad-based. But I hope that provides a lil clarity when we start to talk about segment: male, female, age, demographic, et cetera.

Mr. Scotland: Could I ask you – sorry, Chair, you go.

Madam Chairman: I am just wondering if you have examined some of the challenges. You spoke earlier about 19 to 20-year-olds, you talked about adolescents and so on, and you just mentioned au passant, the age. Have you really looked at some of the challenges of the more mature in the society, you know, the elderly, in particular, the challenges that faced them and how to overcome those challenges?

Mr. Outridge: So, we have worked, for example, with the Trinidad and Tobago Association of Retired Professionals. So, we have spent some time working with different agencies, looking at those sort of generational cohorts as a start, you know, particularly what we would classify as the silent. What are some of the challenges with them in terms of as it relates to financial services? Because, you know, one of the – you know, intuitively we see this, right. We see persons within that particular segment, they prefer to go to line up to the bank to deal with a teller and a cashier. They are not so au courant in terms of with the online banking and the infrastructure and so forth. And, you know, literacy and understanding and trust – and I know trust is going to be a key theme in here because, you know, when you are dealing with – and you see the banks now sort of really getting their own programmes to really educate the population. Even Scotiabank going as far to say that, you know, we will not allow you into the branch to deal with certain transactions, please use the ATM to deposit your cash, for example; please use online banking, et cetera.

So, we have done some initial work and understanding and a key part of it is just simply the transparency around the service and then, obviously, providing more training in terms of using the various technologies. And I think Helen sort of mentioned that, because we do have a varying maturity and this is where fintech comes in. Because when you look at certain banking platforms and so forth, it may be daunting to certain persons but, like – I know Aldwyn will touch on this later – this is where fintech comes in, who basically are technology companies who are working to sort of simplify that interface to make it sort of ubiquitous, and this is where we are sort of driving to make sure that fintechs can play a role. And to Maria's point, the bank's job is to be bullet proof. It is to keep your money safe, it is to protect against any sort of issues, because the financial sector is the most heavily regulated sector globally. Now, this is where the fintechs come in because they have the ability to, what I would call get the sort of human touch onto that aspect. So that is one of key things that we saw.

Mr. Scotland: Madam Chair?

Madam Chairman: Yes, Mr. Scotland. Please, proceed.

Mr. Scotland: Yes, giving and bearing in mind the increased mandate, what additional resources were acquired by TTIFC in order to effectively execute this new mandate, this new mission? I am at three, Chair. What was done? Anything? Chair, that was my last question for this entity.

Mr. Outridge: Thanks, member Scotland. So, when the mandate was changed, to your point, back in April last year, the company did undertake a skills gap analysis. I started with the company of August last year, and from since then, we have sort of basically revamped the entire organizational structure of the company. The company is really sort of split in each operational area to focus on these three things of the mandate. So, we have a Manager of Financial Inclusion, whose sole job is to basically look and to basically provide answers to some of the questions that you are asking to work on, basically, developing not only the understanding of the sector, but also working towards development and national financial inclusion strategy in terms from a government and a policy perspective, what do we need to provide to really get people to be part of that cash decision.

Also, from a digitization payment agenda, a manager to lead that particular aspect, and then we are also looking to bring in a manager in terms of developing the fintech ecosystem and, again, having senior associates under each of these managers to sort of drive the mandate. So, we have been making changes and also to supplement. Because, again, the TTIFC is a small team, but we have been able to achieve a lot, working with stakeholder arrangements such as UNCDF, the Commonwealth and the FinTech Association and other agencies to help augment our capabilities and to deliver.

Madam Chairman: Thank you. Now, you said the shift in focus was moved from solely attracting foreign direct investment as the primary mandate of the company to be the agency that drives increasing cashless

adoption. So, what impact will this transition have on the foreign direct investment flows having realized to increase regional engagement?

Mr. Outridge: Thanks Chair, and a very good question. I recently returned from Miami, last night, meeting with some US fintech entities to basically discuss exactly that. And what has been the challenge in terms of why we have not been seeing the sort of uptick in fintech regionally, not only from a Trinidad perspective, right, and one of the key deficiencies that was described was really our sort of lack of infrastructure, and allow me to sort of expand, right. And this is why one of the key pillars of the TTIFC is how to establish Trinidad and Tobago as a fintech enabled hub, and this goes to the broader financial sector.

If you look at the Caribbean, and we have been plagued with these problems. Right? You know, our cross banking relationships, basically, are hanging on a piece of string. We use these global payment systems like SWIFT, which does not really provide the sort of convenience and it does not really provide the type of capabilities that we sort of need. And then you have these larger companies that you are seeing sort of propping up. Right? So you have the Amazon, the Netflix. You have these international companies who are now expanding into different regions. We would have seen recently Netflix, you know, they were under some pressure in terms of their share price and their needing to grow their subscriber base.

So, when you have a company like Netflix, for example, who is saying that, you know, I would like to enter a specific market and I would like to create a specific product for your particular market, a part from looking at, obviously, you know, your political aspect, your financial aspect and so forth, one of key things—and, again, this is where fintech becomes a very attractive aspect for us is that they need the requisite payment infrastructure. They need to know that that exists within your jurisdiction, so that they could bring in their products and services and use the same advanced infrastructure that they used in their other markets like in the US and the UK, so that they can transact. And that is something that has not been fully sort of, I would say explored and utilized from a region perspective.

So this is where we are trying to now go down that road in terms of working with the regulators, working with the banking industry and working with the fintech sector. So, again, it will benefit the fintechs—and Aldwyn could provide clarity on that—where, you know, we get these large payment gateways, we get these large facilitators, basically, to come in and provide those rails that, again, will support these international companies doing business in our economy, setting up operations and then attracting their international clients to offer services, not only to our jurisdiction, Maria mentioned to that point. We are a small population of 1.4 million, but when you look at the Caribbean as a whole, it can be calculated to easily 70 million when you factor in our diaspora. So, the Caribbean as a market, I am realizing it is becoming very attractive and then from our perspective in Trinidad, we are still a gateway into the Americas, and you still have that need for that infrastructure. So that is really where our focus is, and that is why the focus was sort of shifted, seeing how the sector has evolved. What really are the sort of needs that these companies are looking for? And, as I mentioned, the sort of underscore was really around that infrastructure to allow you to provide for payments and cross border.

Madam Chairman: Thank you very much. So, let me give you a little respite here and go to Mr. Wayne—putting back, Mr. Wayne, WiPay, centre stage. Are you still there with us?

Mr. Wayne: Yes, Madam Chair.

Ms. Lutchmedial: Chair, through you, I have a commitment and I have to leave shortly, but I do have a couple of questions, burning questions, for Mr. Wayne, if you would permit me.

Madam Chairman: Yes, I most certainly will.

Ms. Lutchmedial: Thank you. Thank you, Chair. So, Wayne, I have been looking into this WiPay thing, because you know, I use CourtPay and my clients too, and so I was intrigued by it. But I found an article that said that your company moved its headquarters to Jamaica. I think this is in 2020. Is that correct?

Mr. Wayne: Yes.

Ms. Lutchmedial: Okay. Could you tell us, you know, the reason for that and what prompted you to do that? And while you are at it, tell me then, you know, being headquartered in Jamaica, obviously you could be in a position to give us a bit of a comparison. Could you give us a comparison of the experiences you had between Trinidad and Jamaica so far?

Mr. Wayne: Thank you, member. You are putting me on the spot, but I love to be on the spot. It kind of draws back into what I was laughing at when, you know – I know John really well and I understand the mandate that he has. You know and he is doing a good job in the last five years, you know, trying to, you know, steady a ship that, you know, caused the largest fintech to leave Trinidad and go to Jamaica. You notice it was before John's time. So, I "eh" putting you under the bus, John. But the issue is, you know, just what John just mentioned. You know, you come to the US – I am actually based in the US now – we are launching a bank called Colour Bank here in Wynwood. We just got a contract with the Sheriffs' Association across America to use a Trinidad-based company to process into all the Sheriff County Jails, partnership starting in Flint, Michigan next month, and we are from Trinidad but we are going to do this for America. But in Trinidad you have, you know, the FinTech Association. Am I a member of the FinTech Association of Trinidad? I do not think so, and we actually built the first platform that demonstrated how technology could work with TTIFC in Point Fortin and PwC in 2019. But the red tape, unnecessary red tape.

We built CourtPay, right, no failure, but yet still you are saying to me, that you got to figure out a way how to do, you know, CourtPay version 2, a process and procedure that needs to be put in place to manage how the Judiciary is going to deal with payments. It happened with payments for the last four years digitally. They were the state entity with the least technical knowhow. They were putting court cases on pieces of paper in draws. Now, they are more advanced than every Ministry, because they did not have to listen to the crap that – sorry, to the things that, you know, the red tape, that you know, government normally put in place when it comes to making these decisions. Right? And you hear CourtPay works, but you know what? We cannot do CourtPay 2 because we have to figure out some legislation. It works. Version 2 is just a difference bank account, but you need to figure out the procedure. It is the same procedure that is working now that has not failed. That is one of the reasons why. All right?

So imagine this, initiate CourtPay, all the praises, great, passed laws, version 2, red tape. GovPay, it works in TTPS. Let us go into Ministry of Works and Transport. We did a whole presentation with UTurn and let us stop, because and you know why? We need to get a bank to do processing for UTurn not WiPay, which if they actually understand the technology, we are just the technology. We still had a bank doing the payments, but they do not understand the space. So they used intervention, I would say, to slow down progress in Trinidad and Tobago.

So, all the travelling to Miami, John, and you are my friend, personal friend – you did not call me last night when you were in Miami. I am hurt. You know, I cannot see anyone of my players here in Miami, in Wynwood, coming to Trinidad and Tobago. I am sorry. It has nothing to do with infrastructure. Right? We have TSTT and Flow. We have a bunch of fibre coming in to the country. We have fantastic infrastructure. We have a fantastic educated public due to, you know, free – GATE. All my staff in Trinidad, 30-something of them are all educated in Trinidad. So we have all the resources. It is the bureaucracy is the problem.

And to answer your question, member, why we moved to Jamaica. Because they did not have the level of red tape and bureaucracy involved with making simple decisions. If something works, use it, not fill an agenda. Right? Like CourtPay works, it is not going forward because there is an agenda.

In Jamaica, we just signed a \$4 billion contract for distribution of government funds, 4 billion. The same time we signed that, you know what was on the news in Trinidad? Supermarket Association missing moneys to distribute cash. This was in October last year. Now, we are trying to distribute money in Trinidad and Tobago, through the Supermarket Association and missing money.

So, tell me, if you have a company that provides this van and on one island they are saying, "Hey, let us try to figure it out, and the other island, they are saying, okay, let us use it", the decision was very easy for me to make. It was not my decision to make, the bureaucracy made the decision. The ease of doing business is the problem. Right? So, I mean, I could tell you, the TTIFC plan, the first thing you all need to – I mean, and this is just my humble advice, John – if we move all the barriers to do business, remove [Inaudible] unlimited, the Ministry of Finance should not be getting involved in technical decisions. Manage money, not technology. And once we get to that point, then you will see an adoption. Look at WiPay in Jamaica. Look at WiPay Washington DC. You see the things that we are doing, but not in Trinidad. WiPay in Grenada, we just did the pay-outs for the Government of Grenada for their school programme and we are doing it for their pension. In Guyana, we do payments for the Guyana Civil Aviation. Why does it work everywhere else but Trinidad, with government? Ask John, ask the Ministry.

Ms. Lutchmedial: I am happy to hear your mentioned pensions and so on, because one of the things that I have always been concerned about, well, two things really is: One, people cashing pension cheques at supermarkets and so on where there is very limited oversight and the risk of money laundering, and two, the lines that I see outside of banks every month-end, consisting primarily of very elderly people standing in hot sun or rain, waiting to cash a pension cheque that has come through the post. And, let me say – sorry, three, the reports of pension cheques being stolen at post offices, and if there is a solution to that and a simple solution that a company like WiPay could provide – because like I said, I have had the experience of using CourtPay and it is, you know, I do not know, it is great. And I understand the Judiciary has a little more flexibility than Ministries. Well, certainly, everything that you have said, I think, will have to find its way through our report in some sort of a recommendation. But just a follow-up on this. You mentioned that there is still a role for the bank and that, perhaps, it is not being understood properly by the persons making the decisions. Has the Bankers' Association come on board to meet with, let us say, the FinTech Association, the providers like WiPay and the Government people and the decision makers to explain this and are they on board with all of this?

11.30 a.m.

Ms. Lutchmedial: Because I have a – I mean, let me give you a simple example like this; I have a small business, I am a sole practitioner and I had to open a business bank account when I came out into private practice and I was told that I could not get a chequing account. I had to use a simple business savings account and I had to operate it for the number of years before I could get a cheque book – a cheque book; in this day and age, a cheque book. And I mean, I think banks in Trinidad really are behind in terms of technology. We talked about Internet banking becoming more important during COVID and so on, but it is – I do not know that they really understand technology because it is horrible. It is horrible. Internet banking is horrible. As a user of Internet banking I think it is atrocious what passes as technology and Internet banking in Trinidad and Tobago. Because I have a bank account in the US as well that I use from here and it is easier to operate my bank account in the US from Trinidad than it is to operate my Trinidad bank account.

So I just want to know, has the Bankers Association, you know, gotten on board with the fintech people and those who are pushing fintech and the rolling out of fintech and the fintech companies to assist in this drive and to make the cohesion happen for us?

Mr. Wayne: So that is a great question, and this is just my point of view – and, I mean, I work with all the banks in Trinidad. To answer the first part of the question, the fintech industry, you know, it is made up of two group hosts, financial, which is the “fin”, and the “tech”, which is technology. Companies like us who are not – well, actually we are regulated by the Central Bank, but for technology development companies, they just provide the tech, you still need the underlying financial institution to maintain the integrity and the security of movement of moneys, as John was mentioning. You still run on the rails of the existing banking infrastructure so that in that society you are not worried about, you know, this solution, you know, de-risking the country or making something for that part.

So, yes, the banking sector is critical. Without the banking sector there is no fintech, it is just “tech”. And that is the problem I do not think a lot of the banks kind of get, you know, compared to – you know, the largest bank in the world is Bank of America but yet still PayPal processes more payments than Bank of America as a tech company, but PayPal actually have a bank behind it. Right? This is what they need to understand. The technology part just meets that last mile need. But the person on the ground, like you just mentioned, you want to find a nice easy way to access the money in your bank account with a nice app, let the fintech do that part and let the bank fix the money. Right? But in Trinidad my experience is they think, you know, along the lines that they need to develop a department to manage the technology –

Ms. Lutchmedial: Technology.

Mr. Wayne: Right – and that is not what they are supposed to be doing, in my view anyway. You are a bank, be the best bank, provide as much as your banking services are possible and use a technology partner to make last mile; that, you know, that ease of operability, that user experience to be great but still comes back right into a bank. Right? And that is the different, if a bank thinks that, you know what, hiring two people to develop an app is fintech, then they do not understand it. You know, digital payments for online payments is not financial technology as it should be done; that is just digital payments and digital solutions on top of your banking infrastructure. All right? What you need is an entire company.

John was talking about what research has been done, and we worked with TTIFC and PwC in 2019 and we got people from Point Fortin, people from San Fernando, from doubles vendors, all the way up to bar owners, and we ran a pilot for about two months, had a research paper done, understand what the Trinidad market and those small people that the banks would not do research on, because those people cannot get bank accounts, and we do have a paper on that. We do understand what the market needs and that is how we now bring solutions to the market. In Jamaica we just bought a solution where you could use your phone, where you could tap on your phone and this is now your point of sale device.

So those people that sell at the cruise ship entrance spaces and who sell jerk chicken, they do not need a point of sale terminal. We did that research and we came up with a solution where we meet them at the point of need. This is what needs to be done, not have the banks do a research on customers that are not even their target audience based on the limitations that they have. Some of them with the banks – as John mentioned, there are corresponding banking relationships, we are grey-listed just by the fact that we are in the Caribbean. You heard Nigel spoke about it, they have to actually not on-board a customer in fear of being de-risked. So since the bank has that position, allow the fintech to handle the other part of the business.

Ms. Lutchmedial: Okay. Let us stick a pin there then. One of the AML/CFT requirements and grey-listing and all of that has, I think, caused a lot of people to remain unbanked now even – they have unbanked

people when they conduct their due diligence and so on, because they are required to by law, and do you feel that using the fintech – the “fin” side now – sorry, the “tech” side for the financial institutions, would there be a big risk exposure for them and is enough in place to keep out that money laundering risk and to mitigate against the money laundering risk when you roll out the technology because that might be the critical factor in bringing the “fin” and the “tech” together?

Mr. Wayne: That is my point but it is a very simple answer. CFT, counter-terrorist financing; AML, anti-money laundering policies, and so forth, that deals with money leaving Trinidad and Tobago and getting in the hands of terrorists; for you to do that, that money has to be able to work outside, right? If we are doing no KYC accounts and only operate in TT dollars that cannot receive money internationally or transfer money internationally, you have that protection of local currency on the accounts. It is like a credit union, you can only move money within the circle head. So guess what, creating a bank account you have, you know, the ability to receive payments from somebody outside or make payments to somebody outside, so all those rules that, you know, protects that bank from being susceptible or being, you know, part of any terrorist financing, you know, has to go into every account that they open. But if the banks now say, you know, just like a credit union, “We give you a custodial account”, and you have custodians of all your customers. These accounts are only going to be TT dollar accounts and it could only move in-between each other, then you do not have that risk of terrorist financing.

So that lower KYC account which could only work in TT dollars and only work between each other provides that protection compared to a regular bank account that you open which has all that need for protection. Because if you open a bank account right now, you know, it has to have all those rules, you know, in place to protect the bank against, you know, some of those international standards that – sorry – international problems that – [Inaudible]

Ms. Lutchmedial: Is there a big market – sorry –

Mr. Wayne: [Inaudible]

Ms. Lutchmedial: Is there a big market –

Ms. Daniel: Wait, wait, hold on, could I just ask something because I think we have to be factual in what we are saying here. So recently – when I mean “recently”, in the last year, the requirements for opening a bank account have been changed, so that people – so the Central Bank changed the laws. We have to understand that a lot of this is driven by Central Bank requirements as well and Central Bank did change the regulations so that for smaller accounts, which is the target we are talking about here, the requirements to open a bank account have been reduced. So I think we need to just, you know, let people know that that has been reduced.

I think we also need to understand that the banks – and to give some perspective on your question of the online banking, they have been improving in the last six months, because, one, they did not have adoption. They are looking at it as a business case. If we do not have enough transactions changing our technology did not make sense, but then if you think about one bank took a position to push people to go online by saying, “I am not going to give you statements”. “I do not want people who are not doing online banking”. So there is a balance here. But, yes, we do need the technology to be improved. We are like cheque books, could be gone for a long time now if you have the systems in place, but I think we have to take a balanced view here that it cannot be a free-for-all either. And –

Mr. Wayne: That is the problem, Maria. Maria, that is the problem. We do not need a balanced view, we need the real view. The banks cannot lead technology. Listen –

Ms. Daniel: I am not saying that.

Mr. Wayne:—you might be happy with the banks finally fixing online banking, right?

Ms. Daniel: I am not saying that but I am saying, this is more than just a WiPay solution.

Mr. Wayne: This has nothing to do with WiPay, Maria Daniel. This is to deal with how we approach the problem. The banks—you just said it, is not financially viable for them to fix online. That is your problem. That is the industry's problem. You think WiPay started off making profits? No. We were trying to help the poor man, the small man on the street get paid. The banks did not do it because it was costly and if Trinidad and Tobago continues to only depend on something that makes financial sense or makes benefit to the banks, that is why we are in that position. So you saying to me it is bothering me to hear that from the FinTech Association's point of view, the bank—

Ms. Daniel: I did not say that.

Mr. Wayne:—making incremental changes to online—

Ms. Daniel: I did not say that.

Mr. Wayne:—*[Inaudible]*

Madam Chairman: All right, one at a time, please. One at a time, please.

Mr. Wayne: *[Inaudible]*

Ms. Daniel: I did not say that. We obviously need the solutions, I am agreeing. I am just saying, let us not—*[Inaudible]*

Mr. Wayne: That is not fair for the bank to—come on. This is my viewpoint—*[Inaudible]*

Ms. Daniel: Hold on. I was explaining and agreeing with you actually that the reason they did not put the systems in place because there was no business case, hence that is the reason fintechs were born. So I am not disagreeing with you, what I am saying—*[Inaudible]*

Mr. Wayne:—*[Inaudible]*—so I was trying to figure out what is fair.

Ms. Daniel: I am just saying—

Ms. Lutchmedial: Could I just get back to my question, sorry?

Mr. Wayne: Yes.

Ms. Lutchmedial: Yes. So, I mean, the thing about it is, and I am asking, what was said there about the banks are not getting on board—and I mean, why I talked about the state of Internet banking and so on, but it is exactly that. It may be not profitable for them to invest because they have less users, but it is a chicken and egg argument. If you have better technology you would probably get more users, because right now some of the Internet banking platforms look like a teenager who is just learning coding developed it, and the fact of the matter is that if you have better technology you would actually get more buy-in and people may actually want to use it, more user friendly. So that is the first point. The second point is that Central Bank changed the rules to implement simplified due diligence because that is a FATF requirement to not allow for de-risking and widespread de-risking which is something that we saw for many years in this country taking place when we initially had passed the updated financial obligations regulations.

The third thing is—let me just ask a quick question here because I do have to move on to something, another matter, but when you mentioned about the—I looked at WiPay's submission and you talked about the

voucher, purchasing of vouchers; now, when I worked at the FIU and even in my private practice I found that persons using cash and coming to a government institution with cash to conduct transactions, there is absolutely no due diligence being done. And you could walk into, for example, T&TEC or WASA and you could pay \$10,000 in cash over the counter on your light bill or your phone bill or water rate, or whatever it is and nobody asked for a source of funds declaration. What type of technology or what kind of safeguards would WiPay have in a case where you are selling vouchers to people? Can I now as a drug dealer take my cash that I earn selling drugs and walk into the Judiciary and buy vouchers which I will use to pay for—well, right now it is just maintenance, but if the voucher system continues to pay for many other things, like fines and penalties, to take bail for my cohorts, to do things like that, what are the protections in place?

Because I will tell you this, there was a case that came to my attention where someone deliberately used to make payments with large sums of cash over the counter at a utility company—and I have spoken about this even in Parliament—and deliberately they would quote the wrong account number by one digit being off, and then they would go into the utility company thereafter and say, “I made an error and I paid on the wrong account”. “This is not my account, this is actually my account, can you refund me?” And they would cut a cheque for him and he was literally laundering money through a utility company; laundering his dirty cash through a public utility company. So what will we have in place to mitigate against those risks going forward if we decide to use things like top-up vouchers and so on?

Mr. Wayne: Fantastic question. And that question was the same question the Central Bank brought up when we actually tried to introduce this, which is actually regulated by the Central Bank of Trinidad and Tobago. So the Central Bank asked that question and to answer it quite simply, the fact that he could only pay to your account means that your moneys that you pay into CourtPay if I am paying you maintenance, I know who made the payment; it is me to me. So it is not an open loop system where I could go and pay to John or to Maria. When the matter is handled at court, you create your own CourtPay account in the name of John Outridge. Right? Sorry, John, you are just on the screen, sorry. And when you go to buy a top-up, the only place that you could pay that court money is into John Outridge’s account. So all we do is digitize John’s money. John now makes his payment to, you know, Maria; the fact of the matter is that entire transaction is on a ledger that we know John made \$200 payment is trackable to Maria, into Maria’s bank account. So we have the audit trail more than cash because we know when it was created, when it came into the system. John is the only one who could put John’s money into his account and John then moves the money from there. So because you have an account that is now auditable, that is how we track the transaction. So it is a bit more tracking than cash.

Ms. Lutchmedial: So what I am getting at though, if John is a drug dealer and John has a significant amount of cash that he wants to use—poor John—*[Laughter]*—*[Inaudible]*—and I think we have two Johns, but anyway—but he wants to use his cash now at a public facility, what I am getting at is, do we need customer due diligence requirements, KYC and so on to be implemented at state agencies? That is the bottom line because that is something that I have toyed with for a long time. If we are going to, as you say, the biggest client, and the biggest client base that we have might be the public and for the Government, and I personally feel that when you have government buying into something, then it is easier for private sector to come on board afterwards. So if we have to get government buy-in and buy-in into this fintech thing, do we need to have financial obligations regulations extended to state agencies, state enterprises, and so on? So that let us say, for example, they cannot cut a cheque to someone other than the person that they have contracted to do work for—let us say—

Mr. Outridge: Member Lutchmedial, let me just support—

Mr. Wayne: *[Inaudible]*

Mr. Outridge: Let me just support –

Mr. Wayne: – [Inaudible] – let me have the CourtPay and I will send it to you, John. So for CourtPay, to your question, yes, we collect the KYC on the fact that when you sign up for CourtPay in the court house, both the payer and the recipient need to provide KYC, but that is on the court pay to answer your question. John, I will let you answer now the bigger regulatory part that you are working on.

Mr. Outridge: Right. And it is a good question and I am glad I am just coming back to the point that we were having the discussion with Aldwyn before in terms of – that is an excellent use case why you need to have these financial instructions at these Ministries to, again, put these policies and procedures for them to understand what they need to do to again de-risk the Ministry. Good question you brought up there in terms of people coming in with cash because there is very little due diligence – you are right – in terms of when cash comes in, but even to Aldwyn’s point when you look at what the future ecosystem looks like, you have a fintech on the front that provides you that traceability, that auditability in terms of the transaction. And then on the Ministry’s end, this is where the instructions become absolutely important to now allow these Ministries to use these services, but at the same time to protect the Ministry, protect the financial system and to really reduce any sort of incidents or risk when it comes to anti-money laundering, et cetera.

Ms. Lutchmedial: Yeah. Mr. Outridge, I want to give you an example again because I think it will feed this – and as a user I think I am well placed to speak to this, so, you know, if you could use it going forward, I would appreciate it.

Mr. Wayne: Thank you for that.

Ms. Lutchmedial: When you are saying stamp duty, if I have to pay my stamp duty via a cheque – let us just say I have a client who is transferring – doing a deed of gift, a simple deed of gift but the stamp duty on the property is about \$153,000, they would have to get a manager’s cheque made out to the Chairman, Board of Inland Revenue, so that is very trackable, et cetera, et cetera. And they have to go in, draw from their account, and all that, but do you know that there is somebody who could also give that \$153,000 in cash to their attorney, to a court clerk, to anybody, anybody, anybody under sun to walk into BIR with the documents and pay it and BIR will accept that \$153,000 over the counter without asking a question? And that is – I mean, to me they should be – they will not take it personal cheque which is trackable which the bank will keep, which 10 years from now the Anti-Corruption Investigations Bureau, the financial investigation bureau could go and pull. They will not take that personal cheque, it must be a manager’s cheque but they will accept the cash over the counter. I mean, that is a serious, serious money laundering risk in our country, particularly when real estate is one of the most high-risk areas for money laundering.

I am sorry, I am very passionate about money laundering, that is my thing, that is my area. But the Government is the easiest place to launder money. It really is at this point in time. So unless we tackle that, then – you know, and I always say, you have to creep before you could walk and even before you could fly. So when we start to talk about block chain and this one and that one, and all of the things, and the technology and all of that, and, you know, again, we have a lot of work to do in the simple little things that we need to get done first before anything else.

A person could walk into Licensing Office and pay transfer tax on, you know, everybody’s vehicle there or give to people – you know, you could launder money through any government agency in this country and that is a fact. And if TTIFC or Central Bank, or somebody does not get on it and tackle that issue first, I do not think that financial technology will really ever be as safe as it ought to be and that would stymie its development in the country.

Mr. Outridge: That is an important contribution and point, and thanks for that, member Lutchmedial. I think you kind of described the role of the IFC in terms of taking the baby steps in phase one. So you are absolutely correct, making cash unattractive to use in the public sector and providing different channels for payments. So if you use at stamp duty – and as I mentioned, we are working with the Office of the Attorney General and the Registrar General’s Department as a project as well to look at not only the Civil Registry, the Companies Registry but also the Land Registry, because again, exactly what you described there, even from the perspective of writing a cheque to the Chairman, the name of the Chairman cannot even fit on the cheque. So that is a whole next matter by –

Ms. Lutchmedial: And if you have a name like Jayanti Lutchmedial, it cannot fit on a cheque.

Mr. Outridge: You cannot fit on the cheque either, right? But we have payment systems – and again this is – we have the core payment systems like ECH and RTDS, that, you know, businesses use to do these large transactions; we use it and so forth, but it is not very – and this again, coming back to where we look at the implement with the fintech, it is not very easy to use these systems and so forth, and a lot of people are still unfamiliar with it, but those are the – and when we start to talk about payments into these government officers, not every payment channel might be right depending on the type of transaction, because again, nobody is going to do \$153,000 transaction on your credit card unless you are in Las Vegas or something. The average man on the street would want to – to your point, your client might want to say, “I could use my online banking, I could transfer that to you”, you know, that is fine because, again, it satisfies the traceability and the auditability, you know. And then even if you put a fintech in front of that, then you create a much simpler interface to capture a lot more data that the ECH platform would not be. And that is exactly what you laid out, based on core tenants we are working with where we are making the systems user friendly using the existing financial infrastructure and dealing with the most fundamental used cases which we call it phase one. Before we start to move to more advanced things, like block chain and all these set of different things that we cannot understand. We are just getting the Ministries to sort of add on these different channels and reduce the usage of cash. That is where we are kind of working with until the end of the year.

Madam Chairman: This has been a very animated discussion and I hate to be the one to end it, but we always suffer because we are on a Friday when we have, you know, Parliament. So I would just like to go – before I invite the closing comments, I would just like to go through some of the main points, and you started off talking about the electronic ID; this national ID, you know. You talked about the need for public education, understanding, and one of the things that came up consistently is the need for trust, trust in the security of this technology. We spoke also about data security laws that need to be passed and people’s understanding of how fintech is going to benefit them.

We spoke about banks, the need for banks to speak to one another, about the easy transfer of funds. We spoke a lot also about promotion of financial inclusion, who must be included and how and why. The rate of adoption of online banking is something that came up over and over again; the need for digital signatures. We spoke about the Judiciary and the Treasury adding you rules. We talk about red tape and the steps to curtailing expansion. We spoke about the exchequer Act, the need again for regulations step coming up over and over again; promotion of financial literacy, the role of the Central Bank in all of this. We spoke about, you know, the development of programmes and of linking payments, identifying the segment of society that needs to be included; the challenge of the lack of infrastructure; how to establish T&T as a fintech enabler, and I – you know, on the last occasion I spoke so much in praise of CourtPay and how successful it was and here comes Mr. Aldwyn, Wayne today to debunk, you know, all this good feeling that we had about CourtPay, and his sad news that he has fled to Jamaica.

I really did not think that this Committee would be making headlines again in a way that we are not happy about, but what do we do? How do we move all these barriers to doing business? How do we go about doing that? So it is a challenge for our society. It is a challenge. We speak a lot about money laundering and yet our way of doing business is actually – seems to be facilitating it. And one of the earliest enquiries that we had here, our Committee, our Joint Select Committee on Finance and Legal Affairs was the ease of doing business. That is one of the earliest things that we tackled, the problems that we had, the ease of doing business. Where are we on the index? Where are we? How are we making haste so slowly? What do we do?

There is a lot of work to be done – a lot of work to be done. We recognize what the problems are but the solutions are slow in coming, slow in implementation. So are we going to continue with this implementation deficit in Trinidad and Tobago? What are we going to do? So I would like to invite the officials now to make their closing remarks, starting as we began with FinTech Association of Trinidad and Tobago.

Ms. Daniel: So I will end based on your last comment, rather solution-based than problem-based, and the response is very simple, we need to interact the systems. And what do I mean by that, yes, doing business in Trinidad is difficult because one siloed process does not talk to the other, and John talked about processes. And the integration is building the ecosystem. The fintech solutions for the payment part cannot be done alone. The processes have to change within the Ministries, sharing of data and centralized databases. That is the solution. They are actually not that difficult, you know. Member Lutchmedial – I hope I pronounced that correctly – mentioned about the pensioners, that is actually not a difficult solution or problem to solve, you know, you could do it with cards, you could do it with a number of different ways for that sector of society.

So in closing, this is what I would say, implementation is always a problem in Trinidad, and execution, because people do not work the way they have to work together. Government and private sector cannot be north pole and south pole; they have to be in the equator working together. One thing I will agree with you, Wayne, is we need to understand the problems and have the right solutions. And I think you are spot-on there, there are a lot of people coming with all kinds of solutions, even in the fintech space, but I am not sure it is the solution for our problems.

So in closing this what I would say to Government and to the public out there, we talk a lot in Trinidad and we need to get out of this silo, “my territory” type of culture and everybody needs to work together with a taskforce that says, at the end of the day cash is one of the big reasons we have corruption and if we get rid of cash, as you know, Aldwyn said, it is traceable when it is digital. And therefore, it could only benefit society by us getting more digital and by our population understanding how that makes their life easier by, you know, doing business easier, but also from an oversight perspective we would be able to get data to understand where the problems are and be able to just transact easier. So the answer to your question is, work together more closely and smartly.

Madam Chairman: Thank you, Ms. Daniel. Trinidad and Tobago International Financial Centre.

Mr. Outridge: Thank you, Chair, and thank you members and thank you to FinTech Association and WiPay. I think this has definitely to your point, Chair, been a very insightful discussion. And, you know, the one good thing I would take away from this is, we are not speaking about any theoretical aspects of fintech, and I think the conversation was more driven in terms of, we are at the point of execution and then to Maria’s point, how do we now harmonize the agenda and really come together to focus on the key problems that will allow Trinidad and Tobago to go fast as it relates to enabling fintech without breaking the entire system, because I think that is the key balance. Balance is the message I want to leave here coming

out of it. And it was good that we had WiPay being part of it because WiPay was one of those first adopters that really again – the game was really to reduce cash, prevent people from using cash because, again, cash creates problem. We talked about social disbursements. We talked about cheques. We talked about getting to the money. We talked about basically – it is all about protecting the most vulnerable in society and cash does not do that. Cash actually exposes those persons.

So how do we now get them to be part of the formal economy, how do we get them to really participate, how do we get them to access credit so that they could evolve themselves, they could evolve their livelihood, because that is what fintech means from the IFC's perspective. It means financial inclusion and this is why I think conversations like these are very important because we want to have more WiPays coming out of Trinidad and Tobago. We want to have TT developed, supported, enabled fintech companies going into other regions, other emerging economies by solving the problems that we have because, again, all emerging economies have the same problems and we want T&T to be a case study going forward and not just reading about what Africa did, what this one did, et cetera. That would be my closing remarks.

12.00 Noon

Madam Chairman: Thank you. Mr. Wayne.

Mr. Wayne: Madam Chair, I apologize for dampening your views on CourtPay, so I will just start with that. I hope my sombre tone kind of provides the sincerity in me feeling sorry for you having that impression of CourtPay. But CourtPay is fantastic, it is just the new growth of CourtPay is what I was speaking about. *[Laughter]* And to John and Maria –

Madam Chairman: I could never take an apology with a smile. Mr. Wayne, let me have your closing remarks please. *[Laughter]*

Mr. Scotland: Chairman, that is not so. *[Laughter]*

Mr. Wayne: But I am sorry if my tone today seems a bit aggressive towards what the problems were. You know, I understand the market. I have been in it for – fintech is a very young industry, and I think we were the forefront of this revolution in Trinidad since about 2017. So I know a lot of the players – well, John, Maria. Now, I know what they stand for, and I think I needed to bring to the fore today not what we can do, but what is stopping us from being great.

So I focused heavily on what we need to change, and it is just one thing for me. Being here in First World markets, being in Jamaica, other territories, you know, our problem is very simple. Let Maria and John do what they have to do without the red tape, very simple. I know they will not say it, but that is the problem. WiPay excelled in Barbados, Jamaica, because of Maria Daniels in Jamaica got what needed to get done, done, without having to answer to somebody who is not even in the technology department.

So if you are asking me Aldwyn to come in on this thing and say what does Trinidad need to do to help the growth of this industry, let John Outridge lead the FinTech Association without the red tape – Maria Daniels. I think I gave you the wrong title, TTIFC, lead without the red tape. I am saying I do have members of government, I do have Members of Parliament on here. I am directing that directly to you guys. We do not need that oversight. We do not that over reach in terms of developing solutions.

Going to market, yes, that is a different thing, but let the solutions be driven by the smart people who know how to develop the technology, and then build regulations and regulatory tools around that before it comes to market. Sorry.

Madam Chairman: Thank you. I would like to thank the officials, all of you, for your contribution to today's proceedings. I would like to thank my Committee members who participated remotely in this virtual hearing; the staff of the Office of the Parliament for your procedural and logistical support. The viewing and listening audience, especially those who have made their submissions to us, we thank you. We always value your input, which we would see that it finds its way into our report. When reports are submitted to Parliament, it is available to you on the website to go and read some of those old reports that we have dealt with. It is there. It is there for your information and guidance. The Bankers' Association who could not have been with us today, we thank you for your input. We value your submissions as well.

So there being no other business, I declare this meeting at an end. Thank you very much, and do enjoy the weekend, and do not use any cash. [*Laughter*]

12.04 p.m.: *Meeting adjourned.*