

Ministry of Finance Maintains Rigorous Loan Process

The Ministry of Finance (MoF) has a duty to secure funding to finance the domestic borrowing programme on behalf of the Government of the Republic of Trinidad and Tobago (GoRTT). Over the period fiscal 2016 to fiscal 2020 the Government issued 109 Requests For Proposals (RFPs).

This rigorous multi-step process is executed by public servants from both the Ministry of Finance and the Solicitor General's Office and occurs as follows:

Step 1

Cabinet issues a directive to the MoF to secure necessary funding.

Step 2

The Debt Maturity Profile of GoRTT is analyzed to ascertain the best tenor for the financing and ensure compatibility with the country's risk portfolio.

Step 3

RFPs outlining the MoF's funding requirements are issued to the following approved financial institutions:

- ANSA Merchant Bank Limited;
- Bank of Baroda;
- CIBC First Caribbean International Bank (Trinidad & Tobago) Limited;
- Citicorp Merchant Bank Limited;
- First Citizens Bank Limited;
- JMMB Investments (Trinidad & Tobago) Limited;
- NCB Global Finance Limited;
- Republic Bank Limited;
- RBC Merchant Bank (Trinidad and Tobago) Limited;
- CBTT e-Auction;
- Scotiabank Trinidad and Tobago Limited; and
- Trinidad and Tobago Unit Trust Corporation.

Step 4

Proposals are then analyzed based on the following indicators:

- Effective Interest Rate;
- Fee Structure;
- Total Cost;
- Internal rate of Return; and
- Net present Value.

Step 5

After completion of the Ministry's Evaluation, a Note to Cabinet seeking approval for an Award of Mandate to the successful institution is effected.

Step 6

Upon receipt of the Cabinet Minute granting approval, the Award of Mandate and Rejection letters are issued to the financial institutions that participated in the RFP process.

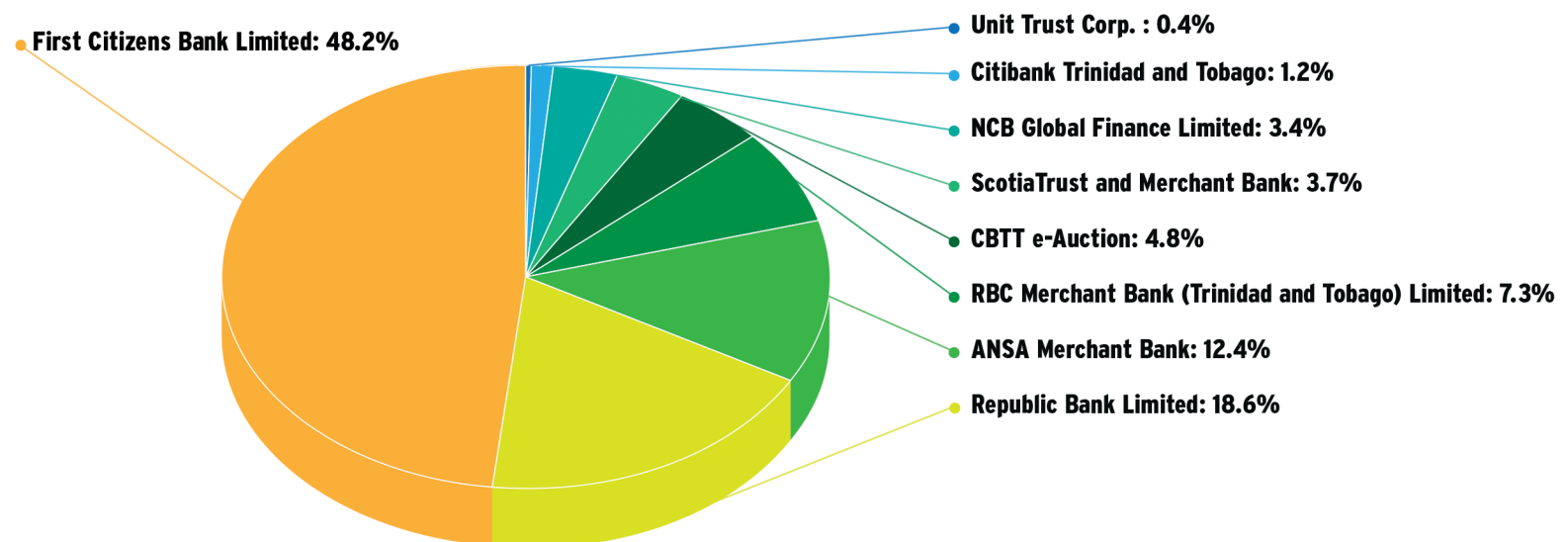
Step 7

The preferred financial institution organizes the necessary legal documents for vetting between themselves and the MoF.

Step 8

Upon execution of the necessary financing documentation and confirmation of disbursements, the MoF records the financing details of the borrowing on the debt database to ensure accurate reporting of debt. Necessary arrangements for debt servicing are also made.

Government's Domestic Debt Portfolio



NCB Global Finance Limited- Financing mandates awarded for the period Fiscal 2016 to present

Based on an overview of RFPs awarded by the GoRTT from 2016 to present, NCB Global Finance Limited (NCBGFL) was mandated four (4) times over the aforementioned time period, accounting for only 3.4% of Government's debt portfolio. NCB Capital Markets Ltd is a wholly owned subsidiary of NCB Financial Group of Jamaica, which is majority owned by (Jamaican-born) Canadian businessman Michael Lee Chin.

The decades-old process followed by the public service for securing financing protects the tax payer from mischief and abuse.