



Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**

For immediate release

September 4, 2024

**MEDIA RELEASE**

**INCREASE IN DEPOSIT INSURANCE COVERAGE**

The Minister of Finance, Hon. Colm Imbert, MP, wishes to advise that on August 28, 2024, he signed both the *Central Bank (Deposit Insurance) Order, 2024* and the *Central Bank (Deposit Insurance Coverage Limited) Order, 2024*, which were both published on August 29, 2024 as Legal Notice Nos. 159 and 160 of 2024, respectively (see Orders attached). Significantly, both Orders **will take legal effect on October 1, 2024** and are based on careful consideration of funding reviews and assessments, international best practice and consultations with the Central Bank of Trinidad and Tobago and financial sector stakeholders. This adjustment is considered to be in the public interest and is intended to provide a further level of protection for persons who deposit their savings in financial institutions.

The *Central Bank (Deposit Insurance Coverage Limited) Order, 2024* **increases deposit insurance coverage from TTD \$125,000 to \$200,000**. This increase in coverage will benefit all depositors and aid to:

- (i) align coverage levels with the IMF's recommended ratios for coverage of 1-2 times GDP per capita. The existing coverage limit, as a ratio of GDP per capita, equates to 0.89 (<1). Therefore, an increase in the coverage limit to TTD \$200,000, will increase the ratio to 1.42;
- (ii) compensate for inflationary pressures, which have cumulatively impacted the real purchasing power of depositors. Notably, the Retail Price Index was impacted by 49% over the period 2015 to 2022, resulting in a deficit of \$61,250 per maximum eligible covered deposit at the sustained coverage level; and
- (iii) maintain and surpass alignment with best practice, that is, the International Association of Deposit Insurers' recommended coverage ratios of 90-95% for the number of accounts and 20-30% on the value of accounts.

The change in coverage level increases protection from 94% to 96% on all eligible number of deposit accounts and increases the aggregate value of insured deposits from 23% to 33% held at licensed Financial Institutions.

The *Central Bank (Deposit Insurance) Order, 2024*, increases the premium levied on financial institutions from 0.2% to 0.3% over a two-year period, with the first increase taking effect from October 1, 2024 (i.e. from 0.2% to 0.25%) and the subsequent increase (from 0.25% to 0.3%) taking effect from October 1, 2025.

The cumulative effect of both Orders is that the increase in deposit insurance coverage will be simultaneously matched by a prudent adjustment to the deposit insurance premium levied in order to:

- (i) ensure the sustainability and effectiveness of the deposit insurance Fund; and
- (ii) adequately fund the deposit insurance reserves and strengthen the resilience of the Fund against potential risks and uncertainties.

Finally, given that the increase in premium levied from 0.2% to 0.3% will be introduced *via* a phased approach over a two-year period, there will be adequate provision for financial sector stakeholders to adjust.

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The Honourable Colm Imbert M.P.  
Minister of Finance