



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

**In the Matter of an Application by the Fitzwilliam, Stone, Furness-Smith & Morgan
for
Scotiabank Caribbean Holdings Ltd.'s Exemption from certain requirements of the
Securities Industry (Take-Over) By-Laws, 2005**

And

**In the Matter of an Application Fitzwilliam, Stone, Furness-Smith & Morgan
("Fitzco") for
Scotiabank Caribbean Holdings Ltd. to be approved as fit and proper to be a
Substantial Shareholder in accordance with Section 54 of the Securities Act, 2012**

ORDER OF THE COMMISSION

Dated this 19th day of March, 2015

WHEREAS Scotiabank Caribbean Holdings Ltd. ("SCH") is a company incorporated in Barbados, and is a wholly owned subsidiary of The Bank of Nova Scotia ("BNS");

AND WHEREAS BNS is a chartered bank under the Canadian Bank Act, is regulated by the Office of the Superintendent of Financial Institutions ('OSFI') in Canada and owns

approximately 50.9% of Scotiabank (Trinidad and Tobago) Limited (“SBTT”);

AND WHEREAS SBTT is a public company incorporated in Trinidad and Tobago and continued under the Companies Act, Ch. 81:01 of the Laws of Trinidad and Tobago (“Companies Act”) with its registered office situated at 56 – 58 Richmond Street, Port of Spain and SBTT:

- is registered as a Reporting Issuer with the Commission;
- was registered with the Commission as a Securities Company on June 27, 1997 under the Securities Industry Act, 1995 (“the SIA 1995”) and with the enactment of the Securities Act, Ch. 83:01 of the Laws of Trinidad and Tobago (“the SA 2012”) is now deemed to be registered as a Broker-Dealer in accordance with section 53(1)(c) of the SA 2012; and
- is licenced under the Financial Institutions Act, 2008 (“the FIA”).

AND WHEREAS Scotiatrust and Merchant Bank (Trinidad and Tobago) Limited (“SMTT”) is a company incorporated in Trinidad and Tobago and continued under the Companies Act, with its registered office situated at 56 – 58 Richmond Street, Port of Spain and SMTT:

- was registered as a Securities Company under the SIA 1995 on June 27, 1997 and is now deemed to be registered as a Broker-Dealer in accordance with section 53(1)(c) of the SA 2012;
- is licenced under the FIA;
- is a wholly owned subsidiary of SBTT;

AND WHEREAS Scotia Investments Trinidad and Tobago Limited (“SITT”) was incorporated on August 23, 2007 under the Companies Act, with its registered office situated at 56 – 58 Richmond Street, Port of Spain and SITT:

- was registered with the Commission as a Securities Company under the SIA 1995 with effect from May 26, 2008 and is now deemed to be registered as a Broker-Dealer in accordance with section 53(1)(c) of the SA 2012;
- is a wholly owned subsidiary of SMTT;

AND WHEREAS BNS is seeking to transfer all its shares in SBTT to SCH and in return SCH will issue shares in itself to BNS with the result that BNS will continue to be the sole shareholder of SCH (the “Proposed Transaction”);

AND WHEREAS The Ministry of Finance and the Economy of Trinidad and Tobago (‘MoFE’) has granted a License for SCH to hold the above mentioned shares and the Central Bank of Trinidad and Tobago (‘CBTT’) has similarly granted SCH permits to become a controlling shareholder in SBTT and SMTT;

AND WHEREAS the Proposed Transaction will:

- be subject to the requirements of the Securities Industry (Take-Over) By-Laws, 2005 (“TBL”) unless such a bid fulfils the conditions for an exemption;
- result in SCH becoming a substantial shareholder of SBTT, SMTT and SITT which will require approval pursuant to section 54 of the SA 2012.

AND WHEREAS Fitzco submitted an application for SCH to be exempted from the TBL 11, 14, 15 and 16 pursuant to TBL 24(2) (c) given that:

- i. the Proposed Transaction will involve no change in the ultimate beneficial ownership of the shares as BNS is the sole shareholder of SCH and therefore such transfer is not prejudicial to the public interest;
- ii. SCH is prepared to comply with TBL 19 by issuing and filing a press release which will provide members of the public and minority shareholders in the SBTT with information on the transaction whereby SCH acquires this interest and to inform these persons about the presence of a substantial shareholder.

AND WHEREAS Fitzco submitted an application for the approval of SCH as fit and proper to be a substantial shareholder of SBTT, SMTT and SITT in accordance with section 54 of the SA 2012 and the Securities General By-Laws 2015 (“the draft General By-Laws”).

AND WHEREAS the FIA contains similar provisions to section 54 of the SA 2012 and the draft General By-Laws and the Central Bank of Trinidad and Tobago has already granted its approval for SCH to become a controlling shareholder of SBTT and SMTT, and the Commission is satisfied that SCH is fit and proper to be a substantial shareholder of SBTT, SMTT and SITT;

AND WHEREAS by-law 24(2) (c) gives the Commission the power to order that a person or class of persons be exempt from one or more of the requirements of the TBL where it considers that to do so would not be prejudicial to the public interest;

AND WHEREAS the Commission is satisfied with the representations made by Fitzco in support of its application and considers that the granting of the exemptions would not be prejudicial to the public interest;

IT IS HEREBY ORDERED that:

1. SCH is **EXEMPTED** from the requirements of Take-Over By-Laws 11, 14, 15 and 16 pursuant to By-law 24(2)(c) of the Securities Industry (Take-Over) By-Laws 2005 (“TBL”) for the Proposed Transaction subject to the following conditions:
 - i. SCH’s compliance with by-law 19 of the TBLs; and
 - ii. That BNS remain the sole shareholder of SCH or provide not less than 45 days advance notice of any change in the shareholding of SCH (as long as SCH owns more than 30% of the voting shares of SBTT);
2. Any further proposed change in the shareholding of SCH must comply with the provisions of:
 - i. the SA 2012 and Section 54 thereof in particular, where applicable;
 - ii. the TBL, where applicable.
3. SCH is approved as fit and proper for the purpose of Section 54 of the SA 2012 to be a substantial shareholder of SBTT, SMTT, and SITT subject to the following conditions:
 - i. SCH will be required to submit its annual audited financial statements to the Commission on annual basis within four months of the end of its financial year;
 - ii. SCH must notify the Commission of any changes in its Board of Directors within 14 days of such change;
 - iii. SCH will take prompt corrective actions as may be specified by Order of the Commission if the Commission is of the view that its operations or financial condition are likely to adversely affect the safety and soundness of SBTT, SMTT, or SITT;
 - iv. SCH will be required to submit to the Commission on an annual basis for its parent company – The Bank of Nova Scotia:
 1. Audited financial statements of The Bank of Nova Scotia within four months of the end of their financial year; and
 2. a list of The Bank of Nova Scotia’s Directors.
4. This Order shall be published in the Gazette, on the Commission’s Website and in two daily newspapers in circulation in Trinidad and Tobago;
5. This Order shall be effective from the 6th day of March 2015.

By Order of the Commission.