

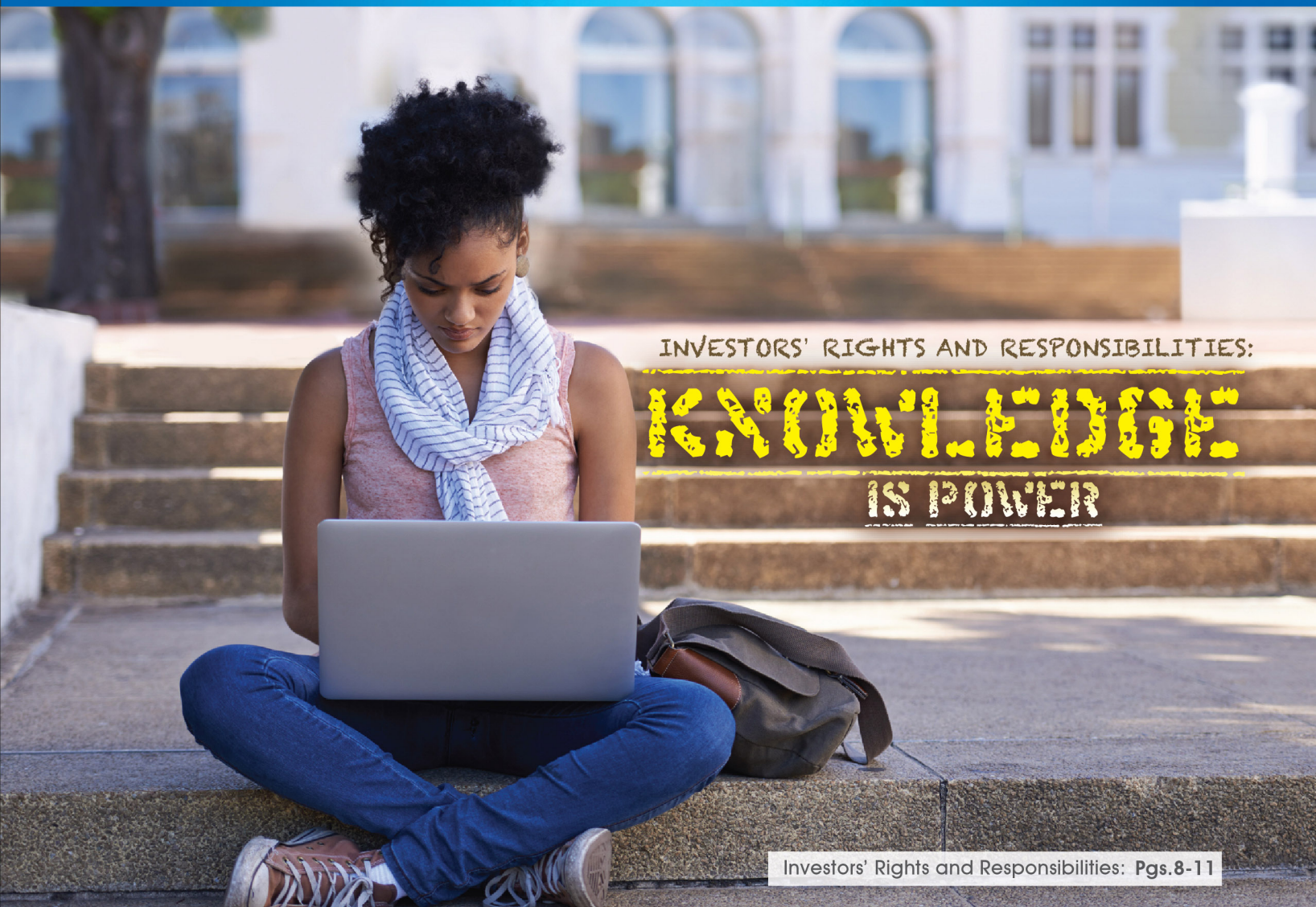


# NEWSLETTER

OCT - DEC 2016

ISSUE # 17

YOU INVEST. WE PROTECT. EVERYONE BENEFITS!



INVESTORS' RIGHTS AND RESPONSIBILITIES:

**KNOWLEDGE**  
IS POWER

Investors' Rights and Responsibilities: Pgs.8-11

## Investors Rights and Responsibilities



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TTSEC

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[www.ttsec.org.tt](http://www.ttsec.org.tt)



## Chairman's Message

**Dear Valued Stakeholder,**

The Commission is pleased to present to you the 17th Issue of its Quarterly Market Newsletter. In this issue we focus on the topic of *"Investors Rights and Responsibilities"*.

Investors' protection and confidence in the securities market are of utmost importance to the work of the Commission. This issue provides insights into how our various Divisions work together towards providing such protection and confidence.

I thank you for taking the time to read this publication and I hope that you find the information presented herein, useful.

*Douglas Mendes, SC*

Chairman







## Message from the Deputy Chief Executive Officer

*Ms. Lystra Lucillio*  
*Deputy Chief Executive Officer*

In this Issue we shed light on the role of the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in promoting and facilitating investor education, with a view to creating a more informed investing public.

In accordance with Section 6 of the Securities Act, 2012, one of the TTSEC's core functions is to **“educate and promote an understanding by the public of the securities industry, and the benefits, risks and liabilities associated with investing in securities.”**

Registrants (Broker-Dealers, Investment Advisers and Underwriters) have a statutory requirement to disclose all material information to the TTSEC, and provide reports and further information as required to investors.

In this regard, investors should:

- **Ensure that they have access to and read thoroughly all sales literature, prospectuses, and/or other offering documents, before making any investment.**
- **Carefully consider all investment risks, fees, and/or other factors explained in these documents.**
- **Make certain that they understand the relationship between their investment objectives and the risks and returns on their particular investments.**
- **Remember at all times that every investment has some degree of risk and that it is possible to lose money.**

Responsible investors should also ensure that they:

- **Understand their financial situation, investment goals, investment experience and risk tolerance.**
- **Engage a financial advisor/investment adviser to assist with their investing goals?**
- **Ask questions. Prepare a list of questions and take detailed notes at meetings with their investment adviser and/or broker-dealer.**

- **Read investment account statements. Learn what the statement means and how it helps keep track of their investments; raise questions if they think there are errors in a statement**
- **Keep records. Keep a file of their investment account statements, instructions to their advisor, and any other important documents related to their investments.**

Responsible investors also have the right to complain about the financial services provided to them within the securities market. Complaints must be made in writing, in the first instance to the company or with the TTSEC. The TTSEC has the authority to investigate and adjudicate all complaints lodged with it under Section 49 of the Securities Act, 2012.

The staff of the TTSEC reviews and investigates all complaints and tips related to the securities industry, including but not limited to, those made against registrants, as well as perpetrators of financial fraud.

To lodge a formal complaint with the Commission, visit our website at  
**<http://ttsec.org.tt/about-us/investor-complaints/>**  
and fill out the formal complaint form.

For further information on the complaint process, investors' rights and responsibilities, financial fraud and avoiding investment scams, you are invited to peruse our online brochures and blog at **[www.investucate.com](http://www.investucate.com)**.

The TTSEC is committed to ensuring a safe and transparent securities industry for all. Through its education initiatives, disclosure and market regulation activities, compliance and inspections regime, and legislative mandate, the arms of the TTSEC work in unison to: secure investors rights, enlighten investors on their responsibilities and instill confidence in the securities industry in Trinidad and Tobago.

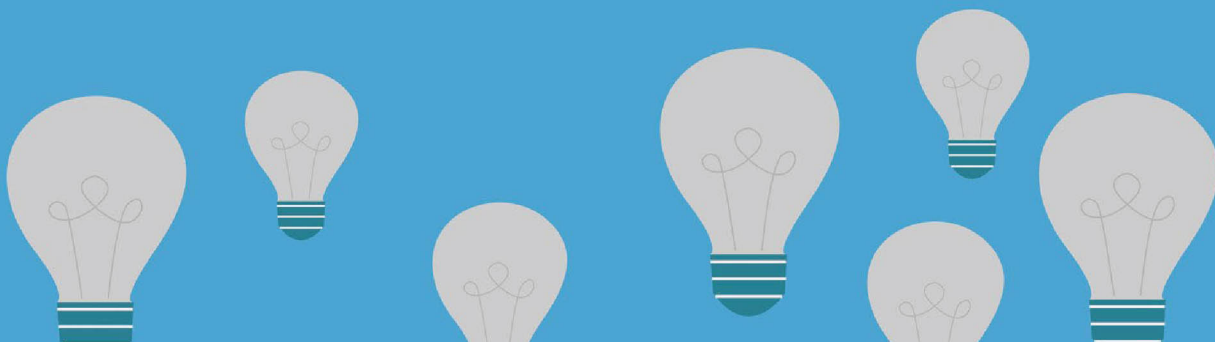


Investor protection is at the core of securities regulation. Similar to the theme of our last issue which focused on protecting the integrity of the securities markets, investor protection is the ultimate outcome when integrity in the marketplace is upheld. Several requirements contemplated by the Commission's legislation, guidelines and policies, centre on ensuring that market participants act in the best interest of their customers/investors.

Within the principle of investor protection, is the inherent rights and responsibilities of investors. It is important that investors understand these rights and responsibilities prior to and during the course of conducting transactions in the securities markets. Some of these include the right to:

- **QUALITY SERVICE** - Investors have a right to receive service/advice with respect to securities from qualified and competent persons.
  - Market intermediaries should therefore ensure that their employees who liaise with investors and provide investment advice and other securities-related services are duly qualified and competent.
  - In all securities transactions, investors should be treated in a fair, ethical, and respectful manner. Further, any services rendered should be provided at a fair price.
- **RESPONSIBLE INVESTMENT ADVICE** – Investors have a right to receive responsible and appropriate investment advice. Market intermediaries must therefore ensure that they conduct appropriate and adequate due diligence with each investor with a view to determining investment goals, personal objectives, time horizon, risk tolerance, and other factors. This information must then be used to ensure that appropriate and suitable investment recommendations are made to investors.
- **RELEVANT, TIMELY AND ACCURATE INFORMATION** – Investors have a right to receive relevant, accurate and timely information about the issuers of securities, as well as the products in which they are contemplating to invest. This information must be provided by market participants for proposed products/transactions that an investor is contemplating. Investors also have the right to receive regular or periodic reports and information after an investment is made.
  - The information or disclosures that are provided to investors must be clear, accurate and easily understood.
  - Information received about an investment should be accurate and contain all the details that the investor should know, including fees, conflicts, commissions, etc.





In addition to the foregoing, investors also have certain important responsibilities when participating in the securities industry. Some of these include the responsibility to:

- Provide information that will allow a Broker or Adviser to understand the investor's financial situation, investment goals and experience, and risk tolerance.
- Read disclosure material and investment account statements. Investors should ensure that they understand what the statements and disclosures mean and how it helps in tracking and assessing their investments.
- Ask questions. As far as possible, investors ought to prepare a list of questions to ask their Broker or Adviser. Investors should also ensure that they take note of responses and explanations provided.
- Maintain records.
  - In the event that there are questions about an investment, it is important that investors preserve all material obtained as there will be a need to make available the information which was provided and received.
  - Keep a file of all investment related material such as account statements, instructions to an Adviser or Broker, and any other important documents related to an investment.
  - It is preferable to document trading instructions instead of using verbal instructions only.

The Division of Disclosure, Registration and Corporate Finance contributes to ensuring that investor rights are upheld in the securities market in various ways. One of these is through registration processes. Both market participants as well as the securities to be distributed, must be registered with the Commission. Several criteria must be met during the registration process before a person or investment product is allowed entry into the marketplace. Through these registration processes, the Division attempts to ensure that, amongst other things, market participants:

1. *Are staffed by qualified personnel to discharge their obligations to investors;*
2. *Meet certain minimum disclosure requirements, so that investors are provided with this information; and*
3. *Meet certain financial requirements.*

As indicated in our last article, registrants are also continuously assessed to ensure that they maintain the fit and proper requirements to remain registered with the Commission. In the event that a registrant is no longer considered to be fit and proper, the Commission has the power to issue a warning, reprimand or suspend the registrant if it is of the opinion that it is in the public interest to do so<sup>1</sup>.

The Commission has and continues to strive to ensure that investors are duly protected. In addition to the role played by the Commission, investors can and must do their part in facilitating their own protection by being aware of their rights, and exercising their responsibility at all times when participating in the securities markets.

<sup>1</sup> For more on the Division's role, you can read our article in Issue #16 of this newsletter which can be accessed on the Commission's website at <http://ttsec.org.tt/wp-content/uploads/TTSEC-16th-Quarterly-Newsletter-Final.pdf>.

# ENFORCEMENT AND YOU

The Commission is a member of the International Organization of Securities Commissions (IOSCO), which is the standard setting body for the securities industry. IOSCO has investor protection as one of its principal objectives and underscores the importance of enforcement in ensuring investor protection.

The IOSCO objective is:

*“To enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries”.*

The Legal Advisory & Enforcement Division (LA&E) is the operational arm responsible for enforcement action at the Commission. LA&E recognises the importance of how the society sees the Commission as a regulator. In 2016 the Division signaled to the market its refocus on encouraging a culture of compliance through enforcement action, and the imposition of proportionate and dissuasive sanctions. In order to achieve its strategic goals of fostering the growth of the capital market and promoting investor confidence, the Commission aims to reduce harmful behaviour through its enforcement efforts.

Enforcement refers to conducting investigations of alleged and/or suspected contraventions of the Securities Act 2012 (the Act), the General By-laws, 2015 and the guidelines that supplement the legislation, and the measures imposed where persons have been found to be in breach. These contraventions may range from the failure to adhere to registration or disclosure requirements, improper market practices market manipulative conduct, prohibitions on the disclosure or use of material non-public information, and non-compliance with the laws and regulations in relation to the prevention of money laundering and combating the financing of terrorism.

While the Act gives the Commission the authority to pursue investigations and impose sanctions or seek the appropriate remedy, enforcement cannot be truly effective without your cooperation. Any person may lodge a complaint with the Commission where he suspects that a breach of the Act is being or has been committed. Complaints can be filed against any person or entity, whether or not said person or entity is registered with the Commission, with respect to the breach of any section of the Act. Complaints can be made in person, by correspondence or electronically via the fillable complaint form on our website, <http://ttsec.org.tt/about-us/investor-complaints/>.

The staff at the LA&E Division appreciates that there is a relationship between investor awareness, enforcement and ultimately investor confidence in the Commission as an effective regulator. With this in mind, whilst the Commission has ‘upped the ante’ on enforcement action, the Division will be strengthening its efforts with the Commission’s education team towards developing a more informed public. These efforts will be integrated with the Commission’s outreach initiatives, as every citizen is an important stakeholder in the securities industry.

We encourage you to play an active role in protecting your fellow citizens and investors by contacting the Commission and lodging a complaint where you suspect that wrongdoing is being committed.



# Investor Education and Awareness Initiatives

In accordance with its mandate, the Commission's Corporate Communications, Education and Information Division (CCEI) continued its public education awareness initiatives and planning during this period. The Division engaged in two public education outreach sessions: One in-house session which was held at the Commission's Head Office on Dundonald Street, accommodated 40, Forms 5 and 6 pupils of the Miracle Ministries Pentecostal High School, and one session at the University of the Southern Caribbean.

In 2017, the Commission looks forward to completing a series of short Investor Education YouTube videos aimed at raising awareness of the securities industry and the work of the Commission. The Commission will also be celebrating 20 years in existence on May 2, 2017 and will also be commemorating its second Investor Education Month in May, 2017.

Several Investor Education (IE) outreach sessions have also been carded for the New Year, both in Trinidad and Tobago, along with new and improved features on the Commission's IE website and mobile application.

The Commission looks forward to working favourably with all stakeholders toward improving Investor Education knowledge in Trinidad and Tobago.



*Students at Miracle Ministries*



*Mrs. Rosalind King facilitating an Investor Education Session*





## MR&S: MARKET REGULATION & SURVEILLANCE DIVISION

### INVESTORS' RIGHTS AND RESPONSIBILITIES:

# KNOWLEDGE IS POWER



The growing use of social media platforms such as Facebook, Instagram and LinkedIn, has significantly altered the way in which individuals and businesses communicate and conduct business. Marketing professionals have taken advantage of this opportunity and have utilized this forum to advertise their products to a wider audience. As a result, the public is exposed to an array of marketing strategies and sales tactics. However, it is essential that the public is aware of their rights and responsibilities as investors, in order to protect themselves from becoming victims of fraudulent investments. This article highlights the role of the investor in making an informed investment decision and some of the ways in which the Commission can assist.



The above sample advertisement or variations of such, are prevalent in the public domain and therefore it is imperative that investors should be able to assess whether it provides adequate information for them to make an informed investment decision. As an investor, you are a consumer of financial services and therefore have the right to receive full, accurate and timely information regarding any investment product that you intend to purchase. Investors should review the prospectus<sup>1</sup> of every investment in which they intend to participate, to ensure that they are fully knowledgeable of the investment product. It should be highlighted that Section 73(1) of the Securities Act, 2012 (the Act) states that no person shall trade in a security that is required to be registered, unless a prospectus has been filed and issued by the Commission. It is also the investors' responsibility to ensure that they obtain as much information about the investment in which they are about to participate.





It is also the investors' responsibility to be aware that with all investments there are intrinsic risks and to be knowledgeable of the risk related to the investment. As shown in the referenced advertisement, there were quotes of recent profits made by clients, however investors should note that with these rewards there are also inherent risks associated with such claims. More often, advertisements and promotional material utilize persuasive techniques rather than provide information that is useful and objective in nature. In instances such as this, investors are often unaware of the risks of the investment and fall victim to high-pressured sales tactics.

For example, in the sample advertisement, an investor's decision may be influenced by the advertisement's claim of **"huge"** profits as well as the testimonial and the quoting of recent profits made by clients. This should, however, be a **"red flag"** to investors as they need to be wary of investments which guarantee a particular level of return. Being knowledgeable about the company's performance and its track record, the characteristics of the investment product and the risk involved would assist a rational investor in his/her decision-making process.

Even though investors have a responsibility to "know their investment", the Commission utilises a plethora of mechanisms for safeguarding investors. One such mechanism is that the Commission monitors advertisements and other marketing material, that investment providers publish regarding their products, to ensure pertinent information is disclosed in order to assist a rational investor in making an informed choice. This is done by conducting independent checks, on a daily basis, of information disclosed to the general public to ensure that it is in accordance with the Act and other subsidiary legislation.

Apart from the sample advertisement above or variations of same, the Commission also monitors the advertisements of Collective Investment Schemes (CISs), which are to be guided by the Promotion Presentation Standards for Collective Investments Schemes. This document sets out guidelines for promotional material issued by CISs in an effort to ensure the complete and accurate disclosure of performance information. There are instances where performance information made in advertisements, may be misleading due to the omission of information that is essential to the interpretation of the return used to evaluate performance. In such instances, investors are unable to compare and assess CIS performance across the industry.

Therefore, the Commission ensures that any promotional material issued with regard to CISs is in accordance with these guidelines, thereby assisting a rational investor in his/her decision to buy, hold or dispose of the security.

<sup>1</sup> A prospectus is a formal legal document that is required by and filed with the Securities and Exchange Commission that provides details about an investment offering for sale to the public.





It is also part of the Commission's mandate to ensure the timely, accurate, fair and efficient disclosure of pertinent information by registrants, to the investing public. The Commission is guided by Part V of the Act which speaks to the timely disclosure of material changes<sup>2</sup>, financial statements, annual reports and other items relating to the registrant, which investors can access when making a decision regarding their investment. More specifically, Section 63 of the Act requires the reporting issuer to make its annual report available to each of its stockholders at the end of its financial year. In addition, Section 65 and Section 66 of the Act, seek to ensure that reporting issuers file their Annual and Interim Financial Statement with the Commission within a specified timeframe.

Reporting Issuers are required to make such available to their stockholders as prescribed by Section 67 of the Act. Further, Section 64(1) of the Act states that significant material events must be disclosed to the Commission and to investors. Material events impact the investment decisions of a reasonable investor such as acquisition and mergers of companies, resignation and appointment of senior officers, and are required to be disclosed in the newspaper and also filed with the Commission. The Commission also posts all material changes on its website<sup>3</sup> which investors can access as well. It should be noted that assessments of materiality are done by the Commission on a case by case basis.

In addition to investors' right to information, they also have the right to complain in instances where they have been victim of a scam or any other fraudulent activities of a securities nature. In instances such as these, there are two avenues for seeking recourse with regard to the complaint. First, the investor should, if possible and according to the nature of the complaint, lodge the complaint directly with the registrant or seek to resolve the matter with the subject(s) of the complaint. Registrants are required to establish an effective complaints handling procedure to ensure that all complaints received from their clients are investigated and a response provided in writing within a reasonable timeframe, as outlined in By-Law 65 of the Securities (General) By-Laws 2015. The second option available to the investor is to lodge a complaint directly with the Commission.



Notwithstanding the foregoing, investors have the responsibility to take a proactive approach in seeking their own interest. It is for this reason the Commission launched its Investor Education Programme in 2005 which focuses on educating the public on various aspects of the securities industry, by conducting outreach sessions<sup>4</sup> throughout the country. The public also has access to a wealth of information available on the Commission's corporate website and its investor education website titled "Investucatett", built specifically for the purpose of imparting knowledge to the public with the aim of having a well-equipped and informed investor population.

<sup>2</sup>According to Section 4 of the Securities Act 2012 a material change is "a change in the business operations, assets, ownership or affairs of an issuer, the disclosure of which would be considered important to a reasonable investor in making an investment decision and includes a decision to implement such a change made by the board of directors of an issuer".

<sup>3</sup>[www.ttsec.org.tt](http://www.ttsec.org.tt)

<sup>4</sup>Outreach sessions - Persons can request an investor education session with the Commission; information regarding same can be sourced on the Investucatett website [http://investucatett.com/?page\\_id=15164](http://investucatett.com/?page_id=15164)



Going back to the sample advertisement to the right, in order to protect themselves against falling victim to fraudulent investment activities, investors should determine whether the company, XYZ Financial Limited, is registered with the Commission to transact business in the respective capacity. Sections 51 and 61 of the Securities Act, 2012 states that no person or business shall act on or carry out any business for which it is not registered. The registration categories for individuals and institutions authorised to conduct business of a securities nature fall within one of the following categories: reporting issuer, broker-dealer, investment adviser, underwriter or registered representative.

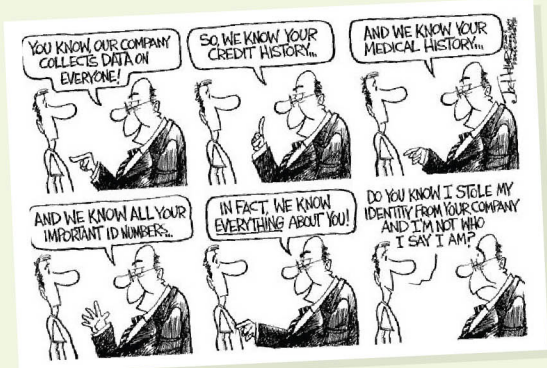


The sample advertisement makes reference to XYZ Financial Limited “offering professional advice on trading in the local and international stock market”. This suggests that the company provides investment advice as well as engages in securities transactions on behalf of its clients. Therefore, a rational investor should ensure that XYZ Financial Limited is registered with the Commission as a Broker-dealer before transacting business with the company. This is an essential step in determining whether the company is authorized to issue advice or conduct transactions on behalf of its clients. The Commission’s website provides a list of registrants as public information.

It is important to note, however, that although one is conducting business with a registered company, persons should, nevertheless, thoroughly evaluate the background of the financial institution or person with whom they intend to do business. Investors should ensure that the security in which they intend to invest is registered with the Commission as required by Section 62 of the Securities Act, 2012. If in doubt, checks can be made with the Commission directly.

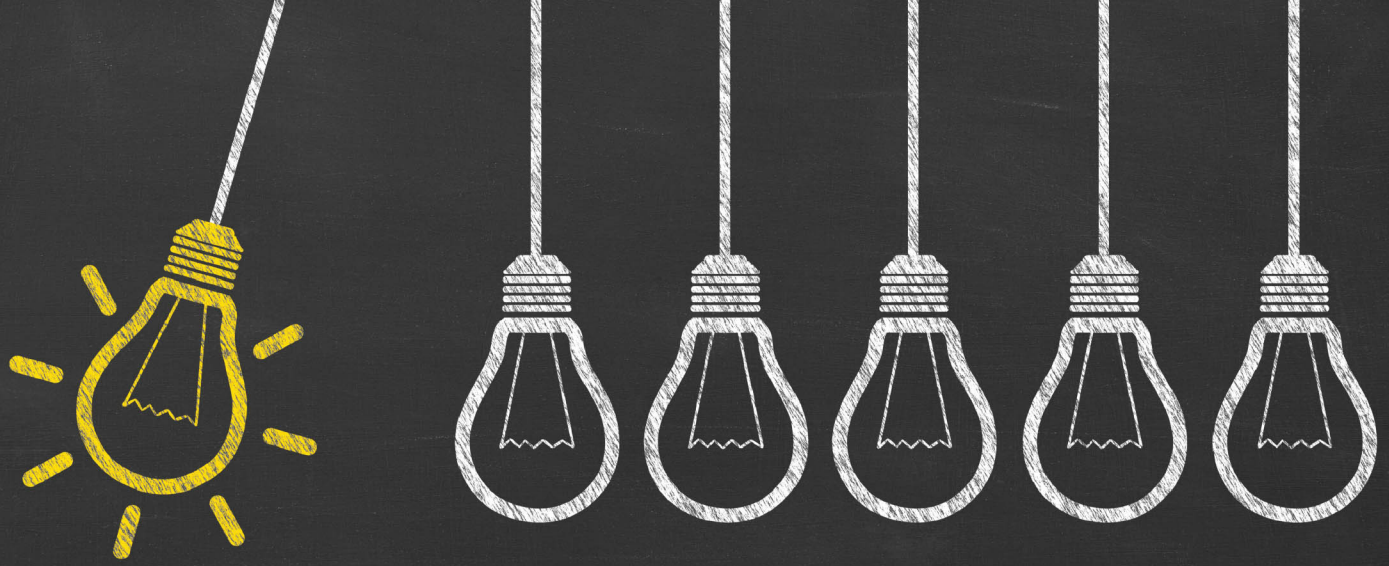
In conclusion, it is expected that a rational investor should be able to gather and analyse all the information available regarding the relevant entity and/or security prior to making an investment decision. Further, investors should be aware of their right to full and accurate information about the investment product as well as the company with which they intend to do investment business. Investors are also reminded of their right to complain in instances where they may be victim to fraudulent investment activities and to receive recourse in accordance with the law.

It is also important to note that investors have the responsibility to ensure that both the entity with which they are transacting, as well as the security are duly registered with the Commission. After all is said and done, true investor power lies in being knowledgeable when investing, thereby mitigating the various types of risks that are inherent in investments.



<sup>5</sup>A registrant is defined as a person required to be registered with the Commission as prescribed under art IV of the Act.





## DIVISIONAL spotlight

### Corporate Communications, Education and Information (CCEI) Division

The CCEI Division operates in accordance with the Commission's mandate under Section 6 of the Securities Act, 2012, which states that the Commission is required to educate and promote an understanding by the public of the securities industry, and the benefits, risks, and liabilities associated with investing in securities.

The Division's mission is to promote informed investor decisions and the TTSEC's role as regulator, via its public education and corporate communications initiatives. In accordance with the International Organisation of Securities Commission's (IOSCO's) principles, the Division coordinates a multi-faceted investor education programme designed to provide investors and potential investors with suitable information to guide informed decisions.

The Commission's Investor Education (IE) outreach programme, its advertising publications, competitions and media campaigns, print publications (brochures, newsletters), corporate website ([ttsec.org.tt](http://ttsec.org.tt)) and IE website ([investucatett.com](http://investucatett.com)), mobile application and social media pages, are all managed by the CCEI Division.

The Division is also responsible for performing the Commission's public relations, protocol and crisis communications functions.



The Division of Compliance and Inspections (C&I), in previous publications, discussed its adopted processes in reviewing registrants' compliance with By-Law 64(1)(b) of the Securities (General) By-Laws, 2015 and assessing the risk profiles of registrants. As previously discussed, a registrant's risk profile is determined after:

- *Identifying its significant activities;*
- *Assessing key risks inherent in each significant activity;*
- *Assessing the quality of its risk management; and*
- *Performing a financial analysis.*

The above assessment is intended to determine the safety and soundness of the entity, at the end of which, a composite risk assessment (CRA) rating is assigned to a registrant. The above process is usually summarised in a risk matrix and includes consideration of the above identified areas as well as adequacy of the entity's capital, earnings, liquidity and, direction and stability of the risk profile. The assessments recorded in the matrix are supported by evidence obtained during the supervisory process, substantiating the assigned ratings.

The overall assessment (taking into account the individual and collective residual risks from all significant activities) is a qualitative assessment of the entity's susceptibility to adverse events that might impact its earnings, capital or clients' interests in the foreseeable future.

Some registrants who have already been subject to the Commission's onsite process would be familiar with a similar summary rating provided at the end of an inspection report. It should be noted that a registrant's risk profile can be refreshed based upon further assessment of the impact of any material changes taking place at the entity, thus providing dynamic monitoring and updating of an institution's risk profile.

An explanation of each CRA is provided below:

### **CRA 1 (Low Risk)**

A strong, well-managed institution. The combination of its Overall Residual Risk and its capital supported by earnings, and its liquidity, makes the institution resilient to most adverse business and economic conditions without materially affecting its risk profile. Its performance has been consistently good, with most key indicators in excess of industry norms, allowing it ready access to additional capital. Any supervisory concerns have a minor effect on its risk profile and can be addressed in a routine manner.

### **CRA 2 (Medium Low Risk)**

A generally sound financial institution that is being managed satisfactorily. The combination of its Overall Residual Risk and its capital supported by earnings, and its liquidity make the institution resilient to most adverse business and economic conditions without materially affecting its risk profile. Its performance has been satisfactory, with most key indicators in excess of industry norms, allowing it ready access to additional capital. Any supervisory concerns have a minor effect on its risk profile and can be addressed in a short time frame.

### **CRA 3 (Moderate)**

A generally well-managed institution. The combination of its Overall Residual Risk and its capital supported by earnings, and its liquidity makes the institution resilient to normal adverse business and economic conditions without materially affecting its risk profile. The institution's performance is satisfactory, with key indicators generally comparable to industry norms, allowing it reasonable access to additional capital. Supervisory concerns are within the institution's ability to address.



#### **CRA 4 (Medium High Risk)**

The institution has issues that indicate an early warning or that could lead to a risk to its financial viability. One or more of the following conditions are present. The combination of its Overall Residual Risk and its capital supported by earnings, and its liquidity make the institution vulnerable to adverse business and economic conditions. Its performance is unsatisfactory or deteriorating, with some key indicators at or marginally below industry norms, impairing its ability to raise additional capital. The institution has issues in its risk management that, although not serious enough to present an immediate threat to financial viability or solvency, could deteriorate into serious problems if not addressed promptly.

#### **CRA 5 (High Risk)**

The institution has serious safety and soundness concerns. One or more of the following conditions are present. The combination of its Overall Residual Risk and its capital supported by earnings, and its liquidity is such that the institution is vulnerable to most adverse business and economic conditions, posing a serious threat to its financial viability or solvency unless effective corrective action is implemented promptly. Its performance is poor, with most key indicators below industry norms, seriously impairing its ability to access additional capital.

Compliance reviews [Section 89 of the Securities Act 2012 (SA 2012)], contribute to fulfilment of the Commission's mandate under Section 7(1)(l) of the SA 2012, to "monitor the risk exposure of registrants and self-regulatory organizations and take measures to protect the interest of investors, clients, members and the securities industry".

Registrants engaging in more complex or riskier business activities must be able to exhibit that their risk management capabilities match their risk appetite, as well as the scale and complexity of their operations. All registrants are encouraged to develop and implement risk management practices that are commensurate with their business activities and overall risk profile. This article concludes the C&I Division's discussion on risk management. Future articles will continue to elaborate on the compliance review process.

# Risk





# KNOW YOUR RIGHTS



## Your Rights as an Investor

CORPORATE COMMUNICATIONS, EDUCATION AND INFORMATION (CCEI) DIVISION

Investing your money for the first time is a big step. While there are legitimate avenues for investing your money, you must be aware that there are also scams, con artists, and improper investment procedures, all aimed at taking your hard-earned money. If you're not careful, you may become a victim. You ultimately have the right to know where your money is, who is looking after it and how accessible it is to you. As an investor or potential investor you have the right to be aware of all avenues that exist to safeguard your money.

**Before investing ensure you are aware of and exercise the BARR principle:**

### BE INFORMED

All investors have the right to receive truthful information about any product they intend to purchase. You have a right to information about

- The organisation's history, expertise and advisers;
- Complete information about the risks, obligations, benefits and costs of any potential investment;
- Investment advice that is consistent with your personal objectives and your risk tolerance.

### ASK QUESTIONS

Once you have the information you need, you will obviously have some questions. Some of these may be concerning:

- The broker-dealer – its history, competence/expertise and whether they are registered with the Trinidad and Tobago Securities and Exchange Commission (TTSEC).
- The background of any securities industry professional with whom you intend to conduct business
- Information on the entity's performance and track record
- Information about the security – the prospectus, the amount of risk

### REVIEW, VERIFY AND CHOOSE

Some financial institutions may not provide you with all the information you need to make an informed decision. As such the onus is on you to conduct your own research to verify the information and ensure all legal requirements are met, before choosing your investment product.

- Check the TTSEC's website [www.ttsec.org.tt](http://www.ttsec.org.tt), for a list of individuals and companies registered to offer various investment products;
- Verify that the investment intermediary (broker-dealer) with which/whom you are dealing, is registered with the TTSEC;

- Review the prospectus of every investment opportunity thoroughly and ensure you understand the investment product;
- If you're still left with unanswered questions, it's your right to revert to asking questions. It is your money and you have the right to be comfortable with the investment to ensure that it is best suited to you;
- Always compare competing alternatives and explore all options;
- Once you have done your research, choose the investment product and provider that best meet your goals;

### REDRESS

Now that you have done your due diligence and purchased your investment product, your rights don't stop there. If things do go wrong whether procedurally or operationally, you are entitled to seek redress. This includes:

- Your right to receive information on the process for raising and resolving complaints regarding the provision of investment advice;
- Your right to receive information about alternatives available if the entity is unable to resolve a dispute to your satisfaction;
- Your right to change investment advisers if you are dissatisfied with the service you have received;
- Your right to lodge a complaint with the TTSEC in relation to any securities matter.

### With all complaint matters there is a process:

1. Firstly you consult with the entity so that your concern is addressed;
2. If this fails, then the TTSEC should be informed. Once the complaint is legitimate\*, the TTSEC may settle the matter in accordance with the Securities Act, 2012.

*\*A loss on your investment due to prevailing market conditions does not constitute a legitimate basis for a complaint.*

The TTSEC exists as a regulator within the securities industry to protect investors from fraud and abuse arising from market manipulation, insider trading, conflicts of interest and unfair or improper practices.

The TTSEC operates within the bounds of the Securities Act, 2012 and its subsequent By-Laws. Part of its mandate involves the education of investors and potential investors, and the provision of pertinent information regarding the securities industry – the benefits, risks and liabilities associated with investing in securities.



## HAPPY NEW YEAR 2017

The Commission hosted a few Investor Education sessions throughout the year in Trinidad, and we will be publishing a magazine that shows highlights from these sessions.

### CELEBRATE

Celebrate your financial successes and your drive to secure your financial future.

### REFLECT

Reflect on your financial achievements and challenges.

### PLAN

Develop a budget and project plan for achieving your short, medium and long term financial goals.

### SAVE

Start by saving your hard earned money. Spend wisely.

### INVEST

Consider investing in stocks, bonds and/or mutual funds as options toward achieving your financial goals.

The Trinidad and Tobago Securities and Exchange Commission looks forward to continuing its work with all regulators, market actors, investors and potential investors, towards ensuring a fair and transparent securities market for all.

The Commission extends greetings and best wishes to you and your family for a bright and prosperous 2017.

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