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*By ccharles at 9:26:10 AM, 11/26/2024*

**CIRCULAR LETTER ISSUED TO:**  
REPORTING ENTITIES

**REPORTING REQUIREMENTS FOR BENEFICIAL OWNERSHIP BY  
REPORTING ENTITIES**

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Given recent amendments to the Securities Act, Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago (“Securities Act”), the Trinidad and Tobago Securities and Exchange Commission (“the Commission”) issues this Circular Letter to reporting entities to provide key points for determining beneficial ownership.

On October 14, 2024, the Miscellaneous Provisions (Trustees, Exchequer and Audit Act, the Minister of Finance (Incorporation) Act, Proceeds of Crime, Income Tax, Companies, Partnerships, Securities, Tax Information Exchange Agreements, the Non-Profit Organisations and Mutual Administrative Assistance in Tax Matters) Act, 2024 (“Act No. 1 of 2024”) was proclaimed by the President. This resulted in amendment of the Securities Act, by creating regulatory requirements in respect of beneficial ownership and in so doing, revising definitions of “beneficial owner” and “beneficial ownership” and creating definitions for beneficial ownership information and reporting entity<sup>1</sup>.

The amended provisions require that reporting entities provide the Commission with beneficial ownership information on beneficial owners as defined. Act No. 1 of 2024 amends Section 136A of the Securities Act, and requires every reporting entity to:

- Ascertain, obtain and verify beneficial ownership information pertaining to its beneficial owners;
- Maintain an accurate and up-to-date Register of beneficial owners;
- Submit beneficial ownership to the Commission annually, within twenty-one (21) days of the end of the financial year of the reporting entity in a manner and form approved by the Commission; and
- Notify the Commission in writing, of any changes in the submitted beneficial owners as they arise within thirty (30) days after such change occurred.

The Commission will establish and maintain a record of the submitted beneficial ownership information and will also adopt measures to verify the information through on-site inspection of the register and other books and records of the reporting entity or through other means available.

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<sup>1</sup> An entity whose securities are listed on any securities exchange registered or required to be registered under Part III of the Securities Act.

Trinidad and Tobago Securities and Exchange Commission

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Further information can be accessed via: <https://www.ttsec.org.tt/aml-cft/beneficial-ownership/>.

Should you have any questions or require clarification, please contact us via electronic mail at [boreporting@ttsec.org.tt](mailto:boreporting@ttsec.org.tt).

Yours sincerely,

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**Kester Guy**  
**Chief Executive Officer**

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## Frequently Asked Questions (FAQs)

### Beneficial Owners and Beneficial Ownership Interest

#### 1. Who is a beneficial owner, and what does beneficial ownership entail?

*On October 14, 2024, the Miscellaneous Provisions (Trustees, Exchequer and Audit Act, the Minister of Finance (Incorporation) Act, Proceeds of Crime, Income Tax, Companies, Partnerships, Securities, Tax Information Exchange Agreements, the Non-Profit Organisations and Mutual Administrative Assistance in Tax Matters) Act, 2024 (“Act No. 1 of 2024”) was proclaimed by President of the Republic of Trinidad and Tobago. As a result, the Securities Act, Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago (“Securities Act”) was amended; creating definitions for beneficial ownership information and reporting entity and amending the definitions of “beneficial owner” and “beneficial ownership”.*

**Beneficial Owner** means any natural person who ultimately owns or controls a legal entity or the natural person on whose behalf a transaction is being conducted and includes the natural person who exercises ultimate effective control over a legal person or arrangement and in respect of a reporting entity means –

- (a) any natural person who **owns or controls** through direct or indirect ownership or through other means at least ten percent of the voting rights, voting shares, or capital of the reporting entity; and
- (b) any natural person who **exercises control** over the reporting entity alone or together with others through any contract, understanding, relationship, intermediary or tiered entity; or
- (c) any natural person who **ultimately owns or controls or exercises ultimate effective control** over the reporting entity indirectly or through other means;
- (d) if no person is identified under paragraphs (a), (b) and (c) above, the natural person who holds the position of senior managing official;
- (e) any person identified as the beneficial owner of a trust or other form of legal arrangement in accordance with section 10A of the Trustees Ordinance.

**Beneficial Ownership** in relation to a security, means **entitlement** to the benefits of ownership of the security, and includes direct or indirect ownership, ownership through a trustee, whether a domestic or foreign trust, legal representative, agent or other intermediary, and a person will be deemed to have beneficial ownership of a security,

*including an unissued security, if the person is the beneficial owner of a security convertible into the underlying security, or an option or right to purchase the underlying security or securities convertible into the underlying security –*

*(a) under all circumstances; or*

*(b) by reason of the occurrence of an event that has occurred and is continuing.*

## **2. Who is a reporting entity?**

**Reporting entity** refers to an entity whose securities are listed on any Securities Exchange registered or required to be registered with a Stock Exchange or Self-Regulatory Organisation (“SRO”).

## **3. Why is it important to identify the beneficial owner?**

Transparency in identifying beneficial owners is essential for safeguarding economic systems against criminal activities such as money laundering, tax evasion, and corruption. It promotes accountability, curbs terrorist financing, and ensures fair business practices; thereby supporting sustainable economic development.

## **4. What criteria can be utilised for identification and determination of a Beneficial Owner?**

The criteria to identify and determine a beneficial owner are as follows:

- Any natural person who owns or controls through direct or indirect ownership or through other means at least ten percent (10%) of the voting rights, voting shares, or capital of the reporting entity; and
- Any natural person who exercises control over the reporting entity alone or together with others through any contract, understanding, relationship, intermediary or tiered entity; or
- Any natural person who ultimately owns or controls or exercises ultimate effective control over the reporting entity indirectly or through other means;
- If no person is identified under the paragraphs above, the natural person who holds the position of senior managing official;
- Any person identified as the beneficial owner of a trust or other form of legal arrangement in accordance with section 10A of the Trustees Ordinance.

## **5. What are the reporting requirements for reporting entity with respect to Beneficial Owner?**

A reporting entity is required to:

- Submit Beneficial Ownership Information to the Trinidad and Tobago Securities and Exchange Commission (“The Commission” or “TTSEC”) annually; and

- Notify the TTSEC, in writing of any changes in the submitted Beneficial Ownership Information as they arise and in any event within thirty (30) days after such change occurred or became effective or such other period as the Minister may by Order approve.

**6. When are reporting entities required to provide Beneficial Ownership Information to the TTSEC?**

Reporting entities are required to submit Beneficial Ownership Information annually, within twenty-one (21) days after the end of their financial year, in a manner and form approved by the Commission. Additionally, if there are any changes to the submitted Beneficial Ownership Information, these must be reported within thirty (30) days of the change occurring or becoming effective, or within such other period as may be approved by the Minister by Order.

**7. Is there a prescribed form for submitting Beneficial Ownership Information?**

Pursuant to Section 136A (5) of Act No. 1 of 2024, the Commission is required to provide a prescribed form for reporting of beneficial ownership information by reporting entities. This form will be available on the Commission's website.

**8. What information is required to be maintained by reporting entities in their register?**

Pursuant to section 10 of Act No.1 of 2024, which amends section 136A (1) of the Securities Act, every reporting entity shall establish and maintain a register of their beneficial owners as defined in section 4 and such register must contain beneficial ownership information including –

- a) complete name, which shall include the surname, given name, middle name and name extension (for example, JR., SR., III);
- b) latest known residential address;
- c) date of birth;
- d) nationality;
- e) contact details;
- f) percentage of ownership, if applicable;
- g) date on which any person starts and ceases to be a beneficial owner;
- ga) the reason why he is to be
- h) any other information as may be prescribed by the Commission.

**9. What are the consequences of failing to submit Beneficial Ownership Information to the TTSEC?**

Section 138 of the Securities Act outlines the offences for non-compliance by reporting entities.

**10. How will the Commission address instances where a reporting entity's financial year-end occurred before proclamation of the Act No. 1 of 2024? Will penalties be imposed?**

For reporting entities whose financial year-end occurred prior to proclamation of the Act No. 1 of 2024 or the administering of the prescribed form, the Commission will provide guidance to those entities, on a case-by-case basis.

**11. What is the retention period for a reporting entity to maintain beneficial ownership information?**

Pursuant to Act No. 1 of 2024, a reporting entity must maintain beneficial ownership information for six (6) years after an individual ceases to be a beneficial owner or the dissolution of the entity. During this six-year period, the reporting entity is required to retain all relevant documents related to the beneficial owner.

**12. Who should Beneficial Ownership information be sent to, or who can be contacted for information or clarification?**

For further questions or clarification about Beneficial Ownership, please contact [boreporting@ttsec.org.tt](mailto:boreporting@ttsec.org.tt).