

CONCISE STATEMENT OF SUBSTANCE AND PURPOSE

The Proposed Amendments to the Repurchase Agreement Guidelines (April 2012)

The proposed amendments to the Repurchase Agreement Guidelines of April, 2012 (the “*proposed amended Guidelines*”) are being made pursuant to *Section 146* of the *Securities Act, Chap. 83:02* of the *Laws of the Republic of Trinidad and Tobago* (the “*Securities Act*”) to provide further operational guidance for the purpose of safeguarding the interests of investors while allowing for the orderly development of the segment of the market concerning the business of Sale and Repurchase Agreements.

The proposed amendments represent a comprehensive review of the Repurchase Agreement Guidelines of April, 2012. They seek to address significant regulatory concerns with respect to Repurchase Agreement (“*Repos*”) transactions and to implement international best practice. Generally, the said amendments expand upon certain requirements and procedures applicable to the provisions of the *Securities Act* and the Repurchase Guidelines, 2012, and clarify certain obligations and standards of conduct applicable to market participants operating in the Repos sphere of the market, such as -

- regulatory issues arising due to different areas of vulnerability;
- counterparty risk due to overtrading by Repos sellers;
- liquidity risk;
- the suitability of Repos to retail investors; and
- the quality of assets bought and sold pursuant to Repos.

In accordance with *Section 149* of the *Securities Act*, the proposed amended Guidelines will be published in the Gazette and on the Commission’s website. A copy of the proposed amended Guidelines can be obtained from the Commission’s website at <http://ttsec.org.tt/draft-amended-repo-guidelines-march-2017-for-market-comment/> or to the person and address listed below.

You are hereby invited to submit written comments on the proposed amended Guidelines. Comments may be submitted to the Commission on or before **Monday May 29, 2017** by delivering same to:

The General Counsel
Trinidad and Tobago Securities and Exchange Commission
57-59 Dundonald Street
Port of Spain