



TRINIDAD AND TOBAGO  
SECURITIES AND EXCHANGE COMMISSION

# MARKET GUIDANCE IV

CONTENTS OF THE  
TERMINATION PLAN FOR  
COLLECTIVE INVESTMENT SCHEMES

6<sup>th</sup> DECEMBER 2023

## MARKET GUIDANCE IV

### CONTENTS OF THE TERMINATION PLAN

***NOTE - In reviewing the Termination Plan in accordance with Bye-law 119 (1) of these Bye-Laws, the Commission does not assess the merits thereof but merely the compliance of the Plan with this Market Guidance IV. This review by the Commission is not intended to create any legal duty or undertaking to unitholders in respect of the fitness of the Plan for purpose***

### INSTRUCTIONS

*The objective of the termination plan is to set out the steps to be undertaken during the termination process that would enhance investors' understanding and knowledge of the process. The contents of the termination plan should take into account the best interests of investors.*

1. If a decision is made to voluntarily terminate a CIS, the Responsible Person shall develop a termination plan in compliance with part XIV of the CIS Bye-laws, 2023<sup>1</sup> and said Plan shall include the disclaimer below.
2. The termination plan should contain at a minimum the following:
  - a. The rationale for terminating the CIS;
  - b. Each of the steps to be followed during the termination process;
  - c. Where applicable, the extent to which unitholders' approval to terminate the CIS is required and where required, the rights of those unitholders should be clearly stated;
  - d. Where unitholder approval is required, how the interests of dissenting unitholders will be treated;
  - e. Details on all estimated costs associated with the termination should be stated and the associated persons who will bear these costs should be identified;
  - f. Whether another entity will be appointed to assist the Responsible Person in effecting the termination plan and the circumstances under which the appointment can occur. Where another entity is appointed, the name of the entity, and its responsibilities should be clearly stated;
  - g. An estimated duration of the termination process;
  - h. The communication plan for disseminating information on the progress of the termination process or any other related matters and who will be responsible for disseminating this information. The communication plan should detail the form and frequency of communication;
  - i. Whether the CIS Manager will consider the possibility of offering unitholders alternative investment opportunities such as mergers or transfers into another CIS with similar investment strategies. Where this is considered, it should be clearly stated;

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<sup>1</sup> DISCLAIMER : *"The filing of a termination plan with the Commission shall neither be construed as creating any fiduciary or other legal duty between the Commission and a unitholder in relation to the Fund being terminated, nor shall it be construed as a submission to the Commission to be evaluated on its merits or demerits."*

- j. The dealing arrangements contemplated by the Responsible Person including the necessity for suspension of subscriptions and redemptions in the CIS;
- k. Whether unitholders will be allowed to redeem their units in the CIS prior to the formal commencement of the termination process;
- l. The methodology used for the valuation of assets in the CIS and the treatment of illiquid assets clearly outlined. Where the valuation of illiquid assets may delay the termination process, this should be clearly communicated to unitholders;
- m. Whether discounts will be applied to the assets held by the CIS during valuation and the circumstances under which such discounts will be applied;
- n. The process for the treatment of windfall payments resulting from the sale of illiquid assets.