



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

In the Matter of Section 40 of the Securities Act 2012

And

In the Matter of an Application to amend the Small and Medium Enterprise Market Listing Requirements of the Trinidad and Tobago Stock Exchange Limited

ORDER OF THE COMMISSION

Dated this 02nd day of March, 2017

WHEREAS:

1. THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO ("GORTT"), by way of the Finance Act, 2012, amended the Corporation Tax Act, Chap 75:02 in 2014 in response to feedback from the Small and Medium Market Enterprise ("SME") Sector;

AND WHEREAS:

2. By correspondence dated August 19, 2016, the Trinidad and Tobago Stock Exchange (“TTSE”) submitted a Statement of Substance and Purpose to the Commission requesting an Order to amend its SME Market Listing Requirements;

3. The TTSE has indicated that the proposed amendments to requirements 7 and 8 of its SME Market Listing Requirements have become necessary in order to bring its SME Market Listing Requirements in line with the changes to the Corporation Tax Act, Chap 75:02 (by way of the Finance Act 2014). These amendments and the relevant sections of the Corporation Tax Act, Chap 75:02 are outlined in the Appendix hereto;

4. The TTSE is required to ensure that its rules and regulations are in conformity with substantive legislation at all times and as such, the proposed amendments have been determined to fall within the remit of S. 40(6)(b) of the Securities Act 2012.

AND UPON:

5. The Board of Commissioners approving the proposed amendments to the Trinidad and Tobago Stock Exchange Limited’s Small and Medium Enterprise Market Listing Requirements;

6. The Board of Commissioners determining that in accordance with Section 159(10) of the Act the making of this Order does not require a hearing pursuant to Section 159(1) of the Act.

IT IS HEREBY ORDERED THAT:

I. The proposed amendments to the Trinidad and Tobago Stock Exchange Limited’s Small and Medium Enterprise Market Listing Requirements are approved;

II. This Order shall be published in the Trinidad and Tobago Gazette and posted on the Commission's website. Notification of the posting shall be published in two daily newspapers in general circulation in Trinidad and Tobago; and

III. This Order shall take effect from November 24, 2016.

By Order of the Commission

APPENDIX

Corporation Tax Amendment

The 2014 amendment of the Corporation Tax Act Section 3 subsections 2 and 3, as it relates to the SME market is as follows:

In the case of a SME listed company, the rate of tax shall be ten per cent for the first five years from listing on the Trinidad and Tobago Stock Exchange and thereafter at the rate of tax specified in paragraph 1 of the First Schedule where –

- (a) a minimum of twenty-five unconnected shareholders own a total of at least thirty per cent of the new issued share capital of the company; and*
- (b) capital is raised with the issuance of an initial public offering to be followed by a listing on the Trinidad and Tobago Stock Exchange no more than sixty days after allotment of the issue.*

In subsection (s), “SME listed company” means a Small and Medium Enterprise company listed on the Trinidad and Tobago Stock Exchange, namely a company whose-

- (a) a minimum issued share capital is five million dollars and a maximum issued share capital does not exceed fifty million dollars following the initial public offering;*
- (b) minimum and maximum capital base comprises of issued share capital only and does not include retained earnings and accounts transferred from such issued share capital or retained earnings to a reserved account; and*
- (c) minimum number of unconnected shareholders is twenty-five.*

Proposed SME Listing Requirements

Public Distribution

Following the initial public offering, the issuer must have a minimum of 25 unconnected shareholders holding at least 30% of the new issued share capital of the company. In this instance, “new and issued share capital” is interpreted as, the SNME adding new shares to its existing issued share capital, where 30% of these new shares must be held by a minimum of 25 unconnected shareholders. For the purpose of this requirement, and unconnected shareholder means a person who is not connected to the reporting issuer. A definition for a person connected to a reporting issuer is outlined in Section 4(3) of the Securities Act 2012.

Capital Base

The issuer must have a minimum issued share capital of TT\$5,000,000.00 and the maximum issued share capital must not exceed TT\$50,000,000.00 following the initial public offering. The

minimum and maximum capital base comprises of issued share capital only and does not include retained earnings and accounts transferred from such issued share capital or retained earnings to a reserved account.