



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

**In the Matter of Section 155 (1A) (c) of the Securities Act, Chapter 83:02 of the Laws of the
Republic of Trinidad and Tobago**

and

**In the Matter of Section 159 (10) of the Securities Act, Chapter 83:02 of the Laws of the
Republic of Trinidad and Tobago**

and

**In the Matter of an Application
for First Citizens Bank Limited to be exempted from the requirement to have its branch
network registered for the purpose of the distribution of the National Investment Fund
Holding Company Limited TT\$ 4,000,000,000.00 Fixed Rate Bonds**

and

**In the Matter of an Application by First Citizens Brokerage and Advisory Services Limited
to be allowed to provide investment services at a Tobago branch of First Citizens Bank
Limited.**

ORDER OF THE COMMISSION

Dated this 1 day of November 2018

WHEREAS First Citizens Brokerage and Advisory Services Limited (“FCBAS”) was registered with the Trinidad and Tobago Securities and Exchange Commission (“the Commission”), as a Broker-Dealer, effective 7th March, 2002.

WHEREAS First Citizen Bank Limited (“FCB”) was registered with the Commission as a Broker Dealer, effective 11th January, 2008.

AND WHEREAS:

1. The National Investment Fund Holding Company Limited (“NIFHCL”) was registered with the Commission as a Reporting Issuer and NIFHCL TT\$400,000,000 Fixed Rate Bonds (the “NIFHL Bonds”), effective 11th July, 2018.
2. FCBAS applied as a registered broker-dealer and lead broker for the Offer for sale of the NIFHL Bonds to be exempted from the need to have FCB’s branch offices registered for the purposes of the distribution of the NIFHL Bonds. These Bonds were offered in three tranches beginning on 11th July 2018;
3. FCBAS indicated that the activities FCB conducted at its branch network in respect of the Bonds would be limited to limited to:
 - (i) Receiving subscription forms for the purchase of fixed income instruments for amounts less than (TT\$90,000) for investors with existing brokerage accounts;
 - (ii) Receiving cheque payments in respect of the offer for sale of the NIFHL Bonds; and
 - (iii) First pass verification of documents and information received and submitting same to FCBAS for processing.
4. FCBAS wrote to the Commission on July 3, 2018, requesting that it be allowed to provide investment advice at the Scarborough branch of FCB in Tobago (Tobago Branch office) in respect of the distribution of the NIFHL Bonds. FCBAS committed to ensuring that any advice provided at the Tobago branch office would be discharged by its Registered Representatives;
5. Section 51(1) of the SA provides that subject to the SA, *“no person shall carry on business or hold himself out as, or engage in any act, action or course of conduct in connection with, or incidental to, the business activities of—*
 - (a) a broker-dealer;*
 - (b) an investment adviser; or*
 - (c) an underwriter,**unless the person is registered, deemed to be registered as such, or otherwise exempted in accordance with this Act, and except for persons deemed registered, the person has received written notice of the registration from the Commission.”*
6. Section 56 (6) of the SA requires that *“A person opening a branch office where the class of business for which the person is registered under section 51(1) is intended to be conducted, shall apply to the Commission for registration of the branch office in such form as the Commission may determine and shall pay the prescribed fee and the Commission may grant such application subject to such conditions as it considers appropriate”*

7. Section 155 (1A) (c) of the SA provides that “*Where the Commission on its own motion or on an application by an interested person considers it to be not contrary to the public interest, it may make an order that any person be exempted from any requirement of this Act*”.
8. Prior to making an Order, the Commission is required under Section 159(1) of the Act to provide an opportunity for a hearing to each person affected by the Order. However, in accordance with Section 159(10) a hearing is not necessary in respect of
 - (a) “*An order that is essentially procedural;*
 - (b) *An order that does not adversely affect the rights or interests of any person.*”

AND UPON:

9. The Board of Commissioners considering submissions from Staff of the Commission in the form of Board Paper No. 028 of 2018;
10. The Board of Commissioners considering and being satisfied that this Order for FCB’s exemption from the requirement to register its branch offices for the purposes of the distribution of the NIFHL Bonds; and to allow FCBAS to provide investment services at a Tobago branch of First Citizens Bank Limited, does not adversely affect the rights or interests of any person, and therefore, no hearing is required in accordance with Section 159(1) of the Act; and
11. The Commission considering it to be not contrary to the public interest to make the following Orders in accordance with section 155(1A) (c) of the Act.

IT IS HERBY ORDERED THAT:

- I. First Citizens Bank Limited be exempted from the need to have its branch offices registered for the purposes of the distribution of the NIFHL Bonds subject to First Citizens Bank ensuring:
 - (i) That the activities it conducts in respect of the distribution are limited to the areas identified in FCBAS’s letter of 3rd July, 2018 to the Commission, namely:
 - (a) Receiving subscription forms for the purchase of fixed income instruments for amounts less than Ninety Thousand Trinidad and Tobago Dollars (TT\$90,000) for investors with existing brokerage accounts;
 - (b) Receiving cheque payments in respect of the offer for sale of the NIFHL Bonds; and
 - (c) First pass verification of documents and information received and submitting same to FCBAS for processing;

- (ii) That adequate controls are in place at branches to ensure that no investment advice is provided to potential investors at the branches unless that advice is provided by a Registered Representative;
 - (iii) That it cooperates with the staff of the Commission with a view to determining, and if necessary ensuring, that the registration of its branch offices is regularised.
- II. First Citizens Brokerage and Advisory Services Limited (“FCBAS”) is authorized provide investment advice at a Tobago branch of First Citizens Bank Limited provided that it submits an application for registration of that branch forthwith and it ensures that while the application is pending, any advice provided at the Tobago branch is discharged by Registered Representatives of FCBAS;
- III. This Order shall be published in the Trinidad and Tobago Gazette and on the Commission’s website. A Notice of the posting shall be published in two daily newspapers of general circulation in Trinidad and Tobago;
- IV. This Order shall be effective from 10th July, 2018.

BY ORDER OF THE COMMISSION