

**TRINIDAD & TOBAGO SECURITIES & EXCHANGE  
COMMISSION**



**IMPLEMENTING THE MICRO-MACRO  
PRUDENTIAL REPORTING FRAMEWORK**

**Rosalind King, Director C&I**

**Friday 8 April, 2016**

**Good morning Ladies and Gentlemen.**

**In the last year, staff of the Commission have been diligently at work to introduce this very important framework to the market. Since August 2015, we embarked on a 2-phased pilot project with 9 registrants who are registered to conduct different activities. They participated in our test of 11 draft reporting forms, which are to form part of our Micro/Macro Prudential Reporting Framework for the securities industry. Initial amendments were made to these forms based on comments received from those participants.**

**Today, we are engaging in wider market participation and consultation with you, our registrant stakeholders, by presenting these forms and advising you of the accompanying framework. You will be given a detailed walk through of the forms and have an opportunity to raise questions and any concerns.**

**The financial and statistical data we are requesting is to be provided by persons registered under Sections 36 and 51(1) of the Securities Act 2012, i.e. self-regulatory organisations, broker-dealers, investment advisers and underwriters. These forms will eventually be incorporated into the Commission’s reporting requirements framework.**

**We are mindful that some registrants are also regulated by the CBTT in accordance with the Financial Institutions Act, and are therefore already subjected to time sensitive (and sometimes duplicate) reporting requirements. However, both regulatory authorities will continue to collaborate in an effort to manage possible resulting regulatory burdens. Further, we will continue to review our own registration requirements and other overlaps in reporting requirements under various legislative frameworks.**

**The Commission is also mindful that this request may require most of you (regardless of size) to make changes to or re-design your systems and in some cases, even re-**

**categorise current data. However, the supply of this information is critical to enabling the Commission to achieve its mandate to monitor risk exposures and as such, we are confident that you would willingly accommodate changes designed to improve the capture of information from this critical industry.**

**I will now highlight some important information regarding the roll out of the framework. (show *PPT slides*)**

**During this consultation phase, we are seeking your comment and general feedback on the forms as well as any issues you are experiencing with the forms. Feedback can be submitted to the email address shown on the screen (this information is also available in the link that was provided prior to this session). The comment period will be open for one month, from today and will end on May 6.**

**It is our hope that this framework can be implemented by the last quarter of 2016, by which time, information will be required on a quarterly basis with all submissions to be**

**made within 30 days of the end of each quarter. In collating the first set of data, information from Q1 of 2016 will be requested and thereafter, requests will be made for 2 corresponding quarters over 2 years, in order to build our database. Our ultimate aim is to move to a monthly reporting requirement, for submission within 14 days of the month end, enabling analysis of information in a more timely manner and allow adequate time for critical policy intervention, where needed.**

**Since this is the Commission's first foray in such an undertaking, there are likely to be teething issues, one of which may be the submission of inaccurate information from registrants who may be unsure of what is required. As such, we will ensure that there are more sessions such as these, as well as one on one sessions with registrants who need greater assistance. With more usage, it is expected that there will be greater understanding of the requirements and increased accuracy.**

**As already mentioned, we will be using this Framework to assess systemic risk and vulnerabilities existing in the securities industry. Its implementation will assist the Commission in fulfilment of its mandate, to “*assess, measure and evaluate risk exposure in the securities industry*”.**

**Registrants can expect to derive benefit from this process, as it our intention to provide you with reports containing aggregate market information, as well as your relative positions. Of course, these reports will be produced as confidential documents to each firm. This represents a significant milestone in the development of the market, since key metrics of the various components of the securities market will now be captured, analysed and disseminated.**

**The following 2 slides illustrate very briefly some information that can be produced using your submissions. Please note that the information seen in these slides is for**

**illustrative purposes only and not reflective of actual data. This first chart illustrates a view of the entire market in securities for the last quarters of 2014 and 2015. It depicts total CIS funds under management, repos, government debt, total client assets under management, market cap and OTC (over the counter) transactions.**

**This chart illustrates the relative position of an individual firm to key measures of the overall market.**

**Your feedback will also give us a clear understanding of the regulatory impact on your human resources and internal processes during implementation. Therefore, your cooperation and active participation are important to the effective and successful implementation of this framework.**

**We will now review these forms with you in greater detail.**

**Thank you, ladies and gentlemen.**