NEWSLETTER

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CARTAC Training Pg.9

Building Investor Confidence

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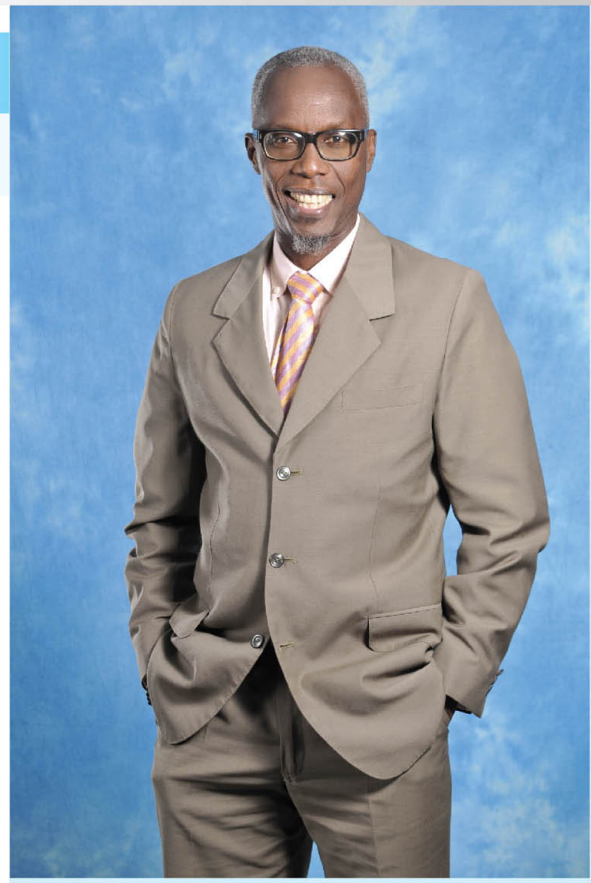
CEO's Report

Mr. C. Wainwright Iton
Chief Executive Officer



There are six (6) major milestones which as CEO, I would like to see completed in calendar 2016, viz:

1. *Overhaul of the registration system to facilitate the registration of prospectuses, offering documents and market actors in a more timely manner.*
2. *Have appropriate Collective Investment Schemes (CIS) By-laws prepared and ready to be laid in Parliament.*
3. *Have appropriate Take-Over By-Laws prepared and ready to be laid in Parliament.*
4. *Conclude the second (2nd) Collective Bargaining Agreement (CBA) with the Bankers Insurance and General Workers Union (BIGWU).*
5. *Deepen the implementation of Risk-Based Supervision for Securities Markets Intermediaries.*
6. *Consolidate the Commission's offices in a single building.*

The realisation of these six (6) milestones would significantly improve the overall efficiency and effectiveness of the TTSEC, and contribute in a meaningful way to building Investor Confidence.

Board of Commissioners

The tenure of the Board of Commissioners, led by Chairman Patrick Watson expired on March 17, 2016. On behalf of the Management and Staff, I wish to express my gratitude to the former Chairman and former Commissioners for their hard work, dedication, and delivery of mission during their tenure.

Building Investor Confidence

Issue #14 is compiled around the theme "Building Investor Confidence" which is central to our regulatory remit. Without Investor Confidence, markets cannot thrive. Reporting Issuers and market actors also have a vested interest in building Investor Relations as a means of building Investor Confidence and Shareholder Trust.

Investor Relations is defined "as a corporate activity, combining the disciplines of finance, marketing and communication which provide present and potential investors with an accurate portrayal of a company's performance and prospects so that they can make properly informed investment decisions" .

Two (2) quotes from experienced Regulators underscore the value of Investor Confidence:

a. "Investor confidence is a fragile cornerstone of the markets…it crumbles under the weight of uncertainty and doubt. Investor confidence rests on integrity and trust…and quality information to give predictive value to investors." Arthur Levitt, former SEC Chairman, U.S. 1998 – 2001

b. "Business without governance is an injustice to all. It inflicts harm not only to itself but on to others in the investment community…impeding growth, destroying reputation, diminishing investment value and with it, investor confidence." Datuk Hashim – Former Executive Chairman KLSE

Together let's build and preserve Investor Confidence in our market(s).

[1] *Source: Canadian Investor Relations Institute*

DR&CF Division

Ensuring Investors are Apprised of Registrant Changes

Table 1 – Types of Continuous Disclosure Filing Obligations under the SA 2012

TYPE OF REGISTRANT	DOCUMENTS DUE	TIME PERIOD FOR SUBMISSION
Type of Registrant Reporting Issuers	Interim Financial Statements	60 days after the end of each quarter
	Comparative Financial Statements	90 days after the end of financial year
	Annual Reports	120 days after the end of financial year
	Revised Registration Statements	14 days after the end of financial year
Broker Dealers, Investment Advisers, Underwriters	Interim Financial Statements	60 days after end of half year
	Comparative Financial Statements	90 days after the end of financial year
Self-Regulatory Organisations	Annual Report	120 days after the end of financial year

The Division of Disclosure Registration and Corporate Finance (DR&CF) continues to use this communiqué to inform registrants of changes in our processes. Our focus for this particular communiqué is the importance of filing continuous disclosure documents. Continuous disclosure documents are documents prepared by a registrant to keep its investors apprised of the financial health of the entity. The information contained in these continuous disclosure documents is critical in ensuring that all investors are placed on an equal footing to decide which investments are best for them.

As such, the Commission adopted a disclosure-based system of regulation to ensure that investors are provided with the necessary information to guide them towards making appropriate investment decisions. This is congruent with one of the fundamental functions of the Commission which is "to protect the rights and interests of investors in Trinidad and Tobago".

All registrants are required to comply with continuous disclosure requirements outlined in the Securities Act 2012 (SA 2012) and its related By-laws. Compliance with these requirements entails registrants submitting and circulating certain documents within specified time periods. If a registrant does not meet a continuous disclosure requirement, this constitutes a contravention of the Act and consequently the Commission can pursue enforcement action against that registrant in accordance with Section 156(2) of the SA 2012, which states, inter alia that:

> ***"...person who is in breach of this Act solely by reason of his failure to file or publish a document or instrument required under this Act or the Bye-laws within the period prescribed shall be liable to pay an administrative fine of one thousand dollars per day for each day that the document or instrument remains outstanding after the expiration of the time prescribed."***

In essence, Section 156(2) states that a registrant is liable to pay an administrative fine of TT$1,000.00 for each day that it does not file a document required under our legislation, inclusive of continuous disclosure documents, within the prescribed time.

The following table outlines the continuous disclosure documents that registrants are required to file with the Commission, as well as the timeframes within which these documents ought to be filed with the Commission under the SA 2012.

We wish to advise that all Interim Financial Statements and Comparative Financial Statements **MUST** be accompanied by the Commission's Form 11 – Financial Statement Certification. Failure to submit the Commission's Form 11, together with either the Interim Financials (both quarterly and half yearly), or Comparative Financial Statements, means that the registrant is not in compliance with the requirements of the SA 2012 and its associated By-Laws.

These continuous disclosure documents may be submitted to the Commission via electronic mail to the following email address: ***ttsec@ttsec.org.tt***. Further, please note that the original/physical copy of the submitted document must follow.

Before the enactment of the SA 2012, the Commission sent out reminder letters regarding the filing of Revised Registration Statements by Reporting Issuers. While we have expanded these reminders to include all continuous disclosure documents, we wish to advise that these reminders will be sent via electronic mail to the person designated to be the primary contact with the Commission (i.e. the Designated Officer). As such, we cannot over emphasize how important the role of the designated officer of a registrant is, since he/she is the bridge between the Commission and your organisation.

Also, registrants are reminded that they are required to formally notify the Commission of any change to their designated officer by filing a duly completed Form 6 – Notification of Change. A copy of the Form 6 can be found on the Commission's website at ***www.ttsec.org.tt***. A complete listing of the changes requiring notification through the filing of this form is outlined at Schedule 3 of the Securities (General) By-Laws, 2015.

While we continue to work towards building a more effective and efficient regulatory framework, registrants are reminded that it is critical to not only prepare and disseminate these continuous disclosure documents mentioned above in a timely manner, but also to ensure that these documents contain full, true and plain disclosure, so that investors can make the right decision for themselves.

"Coming together is a beginning. Keeping together is progress. Working together is success." - Henry Ford

INTERNATIONAL AFFAIRS –

CYBER CRIME & RESILIENCE:

IOSCO Cyber Simulation Workshop

The soundness, efficiency and stability of securities markets rely on the quality of information provided, the integrity of people and service provision, the effectiveness of regulation and increasingly the robustness of supporting technological infrastructure. Nevertheless there are limited public, targeted and in-depth studies into how one of the more prominent technology-based risks, cyber-crime, could be and is impacting securities markets. Cyber-crime may be defined as an attack on the confidentiality, integrity and accessibility of an entity's online/computer presence or networks and information contained within.

It's possible that some cyber-attacks will breach even the most up-to-date and sophisticated defences, making response to and recovery from these potential breaches an important aspect of 'cyber-resilience'. To deal with this reality, the concept of 'cyber simulation drills' have increased in popularity. These drills can be implemented within an individual firm, sector-wide and across sectors. The idea behind this tool, is to simulate a cyber-attack scenario, or series of cyber-attack scenarios, and allow participants to consider as well as test, the steps they need to take in order to respond quickly and effectively.

Earlier this year, the Trinidad and Tobago Securities and Exchange Commission participated in the IOSCO's Growth and Emerging Markets Committee's (GEMC) full day cyber simulation workshop. The workshop involved a desktop cyber drill focusing on the role of securities market regulators in the event of a large scale cyber-attack on regulated entities. The simulation represented an important step in facilitating understanding of potential responses to and consequences of cyber-attacks against regulated entities in emerging markets.

The simulation workshop forms part of the GEM Committee's efforts to strengthen regulatory capacity in managing and mitigating risks posed by cyber-threats, and follows on from the simulated crisis management exercise conducted by the Committee during its annual meeting in April 2015. The objective of the simulation was to encourage participants to think about and discuss what role, securities market regulators in emerging markets could play in the event of a potentially serious cyber-attack on regulated entities.

The importance of such exercises becomes apparent when regulators consider that one of the most precious resources when responding to a cyber-attack is 'time'. As such, cyber simulation exercises allow participants to consider and work through any uncertainty pertaining to the validity of their approach, what tools/information may be needed, what communication channels should be tapped in to etc. before a large-scale cyber-attack scenario is actually underway, thereby saving time in the midst of an actual crisis scenario.

In this way, participants can (1) identify any gaps or areas that need more clarity in existing approaches to cyber-attack scenarios; and (2) use the exercise as a 'safe' playground to put forward new ideas for dealing with an attack. Generally, cyber-drills and simulations have been implemented to test the response of industry in the case of a cyber-attack. However, the cyber simulation conducted by the GEMC focused on the role of securities markets regulators only.

Overview of the Simulation Workshop

The exercise involved approximately 80 participants from more than 40 emerging market jurisdictions. Participants were broken up into teams where each team represented the 'control room' or 'decision makers' of the securities commission of the fictitious state of Balenesia.

CONCLUSION

The group discussions raised varying responses to the questions posed during the simulation. In the end, the outcomes of the simulation highlighted the following high-level points:

- ***The need to have a clear, well-defined and institutionalised crisis management plan in place;***
- ***The importance of balancing a proactive and reactive regulatory approach to respond and facilitate recovery in the event of a major cyber breach affecting regulated entities;***
- ***The criticality of cross-border cooperation and information sharing; and***
- ***The major role played by effective and clear communication with the general public, investors, affected entities, other market participants, law enforcement and other agencies and bodies.***

Courtesy Visit

Assemblyman Joel Jack, the Secretary of Finance and Enterprise Development paid a courtesy visit to the Trinidad and Tobago Securities and Exchange Commission March 2, 2016. Mr. C. Wainwright Iton, CEO TTSEC, held discussions with Assemblyman Joel Jack to discuss ways of improving investor education in Tobago and agreed to a more collaborative and sustained approach throughout the year.

Public Education and Communication

TTSEC collaborates with the Division of Finance and Enterprise Development in Tobago

On **March 1, 2016**, Assemblyman Joel Jack, Secretary of the Tobago House of Assembly's (THA's) Finance and Enterprise Development Division, paid a courtesy visit to the CEO, Mr. C. Wainwright Iton at the Commission's office in Port of Spain. Discussions were held to further the collaborative efforts between the Commission and the Division of Finance and Enterprise Development, as we strive to increase financial literacy among our citizenry, particularly in our sister isle Tobago.

Subsequent to that meeting, the National Financial Literacy Secretariat (NFLS) of the Division of Finance and Enterprise Development in Tobago, along with the TTSEC team, coordinated a two-day investor education seminar in Tobago which targeted senior secondary school students and staff of the Tobago House of Assembly.

On **March 7 and 8, 2016** an investor education seminar was held at the Victor E. Bruce Financial Complex in Scarborough, Tobago. Day one of the seminar included secondary schools students and teachers of the Pentecostal Light and Life Foundation and the Scarborough Secondary School. The students were given an activity goal card to complete, which allowed them to list their short and long term goals. A presentation was done on the importance of saving and investing, budgeting, types of saving and investment instruments and saving tips for youths. Day two of the seminar was targeted to adults at the workplace and included staff members of the Tobago House of Assembly, Tobago Police Service and the Tobago Fire Service. This group was very interactive and eagerly participated in our 'Q&A' sessions. The presentation included the topics of saving and investment instruments, and investment scams. In addition to the presentations, tokens and brochure packages were distributed to the students and adults.

The Commission remains committed to continuing our collaboration with the Division of Finance and Enterprise Development and will be conducting further sessions this year in Tobago. Remember, if you are interested in having us conduct a free investor education session for your group, you can send us an email at ***ccei@ttsec.org.tt***.

DIVISION OF LEGAL ADVISORY & ENFORCEMENT

Doing its part so you can
INVEST WITH CONFIDENCE

Regulation of the securities market is a continuous and never-ending process. Practitioners within the securities industry are vibrant and innovative and the TTSEC has recognized that with the ever-changing dynamics in the securities business, the regulatory framework must also evolve so that we can continue to promote market integrity, and ensure that our stakeholders can invest with confidence.

The division of Legal Advisory and Enforcement (LA&E) provides interpretation and advice to the other divisions of the Commission on the application of the legislation, guidelines, regulations and other laws that impact the securities industry. The LA&E staff conducts reviews of the constituting documentation accompanying the applications for registration of securities products (such as bonds and employee stock compensation plans) to determine whether such documentation conforms to the perimeters of the securities laws, thereby ensuring investor protection. The division of LA&E bears responsibility for the internal legal affairs of the Commission such as the reviewing/drafting of contracts; reviewing/proposing amendments to the securities laws; examining and analysing local and international securities laws and precedents for applicability to issues engaging the Commission's attention.

The Enforcement arm investigates complaints received at the Commission, and initiates administrative or civil action against registrants or any person in relation to the contravention of securities legislation. All Orders for penalties imposed can be viewed on the Commission's website at www.ttsec.org.tt. In instances of the more egregious matters, recommendations for referrals to the Office of the Director of Public Prosecutions or the Commissioner of Police are made.

While the Commission welcomed the improvements to its governing legislation, we have also recognized that the passage of laws alone does not necessarily lead to full compliance. The ability to increase regulatory supervision simultaneously calls for an increased focus on the Commission's human resources and enforcement. To this end, the Commission embarked on a recruitment drive to attract suitably qualified persons to add to its cadre of professionals, while ensuring that the incumbent staff is fortified with the required knowledge, through continuous training and development with our international counterparts.

One aim of effective regulatory supervision is the optimization of market development by encouraging market actors to operate in a fair, transparent and orderly manner. To this end, timely disclosures by registrants provide an atmosphere in which investors are able to make informed investment decisions. Now that sufficient time has passed for stakeholders to become familiar with their obligations under the legislative improvements, the enforcement arm has embarked upon the engagement of persons who fail to meet their disclosure obligations.

The Commission also saw the value of exposing younger legal minds to the specialized area of securities regulation as part of its wider developmental thrust. The division of LA&E therefore reinstituted an internship/in-service program to accommodate students from the Hugh Wooding Law School during the period of their mandatory ten (10) weeks internship. These attorneys-in-waiting benefit from the unique experience of getting first-hand insights of the securities industry from the regulator's perspective. Interns are exposed to the conduct of legal research and reviews on matters for registration, opinion writing, drafting of legal correspondence, interviews with persons of interest in investor complaints investigations, reviewing and drafting of revisions of existing regulations, guidelines and policies, among other things. We aim to build future securities law practitioners who can better serve the investing public.

A well regulated market not only serves to instill a sense of confidence in domestic investors, but it can also attract regional and international investors and ultimately redound to the benefit of the country's economic well-being.

C&I: Compliance & Inspections Division

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

In the last Newsletter (Issue #13), the Division of Compliance and Inspections examined the types of compliance reviews (on-site inspections) undertaken by Inspection Staff in accordance with Section 89 of the Securities Act 2012 (the Act). Over the coming months, and as our on-site process develops, the Division will assess the major areas that the Inspection Staff focused on, during compliance reviews and some of the expected standards based on published guidelines or By-Laws, or other general guidance.

Since its inception in 2014, the Division has taken steps to implement a risk based supervisory framework, which the Commission is phasing into its operations. Once a firm has been identified for inspection, it is important for the Inspection Staff to understand the risks to which that firm is exposed and make a judgment as to how effectively the firm has identified the risks, measured them and taken steps to mitigate them.

Risk-based supervision (RBS) is a combination of processes in which the risk profile of each regulated firm determines, among other things, the supervisory program comprising off-site surveillance, targeted on-site inspections and other regulatory actions that may be warranted.

In this edition, we will be examining corporate governance and internal controls, areas that the Inspection Staff assesses during an on-site inspection.

[1] "Corporate Governance is the system by which companies are directed and controlled. Boards of Directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the Directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the Board include: setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship."

It is expected that at the broadest level, a firm would implement standards that are appropriate and consistent with prudent business practices; a firm should provide evidence that it operates risk management policies and internal control processes that are appropriate to its size, complexity and the inherent riskiness of the business model, and the markets in which it operates.

By-law 64 of the Securities (General) By-Laws, 2015 requires a firm to,
"Establish, maintain and apply a system of controls and supervision sufficient to provide reasonable assurance that the entity and each individual acting on its behalf complies with the Act and [the] By-Laws and any other law dealing with anti-money laundering and combating the financing of terrorism" and to "manage the risks associated with its business in conformity with prudent business practices". "The system of controls referred to [above] must be documented in the form of written policies and procedures".

As such, firms should have documentation that would allow Inspection Staff to make reasonable assessments as to whether:

The Board has properly assessed the "risk appetite" of the firm, based upon:

- The specific business model and strategy of the firm;
- Whether the board and its committees have the necessary skills, knowledge and experience to understand the risks facing the firm;
- Risks that the Board is willing and not willing to take;
- Whether the Board reviews the firm's ability to manage risks it faces and its effectiveness in withstanding risks that do materialize;

There are proper systems of internal controls, to ensure:

- Clear lines of management responsibility;
- Effective segregation of those roles;
- Independence in the compliance function;
- Independence of the internal audit function;
- Identification, management and mitigation of conflicts of interest

These elements of a system of internal controls should be documented by firms and available for review by the regulator. There are many approaches to good corporate governance: the Trinidad and Tobago Corporate Governance Code 2013 was published for adoption by publicly listed entities; it follows globally accepted best practices with specific consideration and customization for the local economy. The OECD Principles of Corporate Governance were endorsed by OECD Ministers in 1999 and have since become an international benchmark for policy makers, investors, corporations and other stakeholders worldwide. The Principles offer non-binding standards and good practices, as well as guidance on implementation, which can be adapted to specific circumstances of individual countries and regions.

The Commission strongly encourages firms to use best practices as a guide in order to develop robust corporate governance systems that are suitable for the size and complexity of their business. As part of the risk based supervisory framework the Commission will make recommendations, and registrants are expected to apply the recommendations or otherwise explain reasons for any deviation.

In this and other fora, the Commission will continue to provide guidance to registrants as we work together to ensure the effective development of the market.

[1] Report of the Committee on the Financial Aspects of Corporate Governance, United Kingdom 1992

NOTICE

Jurisdictions that have strategic AML-CFT deficiencies

The Trinidad and Tobago Securities and Exchange Commission wishes to advise that public statements issued by the Financial Action Task Force (FATF); the Caribbean Financial Action Task Force (CFATF) and the Council of Europe (MONEYVAL), list jurisdictions that have **strategic anti-money laundering (AML)** and **combating the financing of terrorism (CFT)** deficiencies, and that pose risks to the international financial system.

These public statements are periodically posted to the Commission's corporate website at *http://ttsec.org.tt/aml-cft/public-statements/*. Accordingly, registrants of the Commission, and the general public, are asked to give special consideration to and exercise enhanced due diligence when establishing or continuing business relationships and or transactions with countries listed as having strategic deficiencies, and/or persons linked to them.

For further information regarding the AML-CFT framework for the securities sector please contact us at *aml@ttsec.org.tt*.

CARTAC continues training on RBS

The Caribbean Regional Technical Assistance Centre (CARTAC), the regional arm of the International Monetary Fund (IMF) once again joined us during the quarter to continue its training sessions on Risk Based Supervision (RBS). The training sessions were conducted by two CARTAC consultants: Mr. Courtney Christie-Veitch and Ms. Tanis MacLaren.

The discussions focused on enhancing the understanding and ability of Staff to implement our risk based supervision framework. Staff was exposed to training on the assessment of regulated entities risk profiles by identifying their significant activities. In addition, training was also conducted on the assessment of the intrinsic or inherent risks associated with significant activities.

Inherent risks are a critical aspect of a risk assessment framework as these are risks which cannot be segregated from the business activities of our reporting entities. Inherent risks are intrinsic to an activity and arise from exposure to and uncertainty from potential future events. These risks, which can be grouped into several categories, such as: market, credit, operational, concentration and strategic risks, should be evaluated by considering the degree of probability and the potential size of an adverse impact on a regulated entity's capital, liquidity and earning.

Discussions were also held on an Investor Protection Risk Assessment Framework. The consultants put forward that this framework, much like the general risk assessment framework includes identification of significant activities. It also includes identification of investor protection concerns arising from each significant activity, assessment of the internal controls in place and the provision of a rating to the regulated entity. As you may be aware, in keeping with international best practice, we have implemented a Risk Based Supervision Framework in 2014 which also forms part of the Commission's strategic plan for 2014-2018, towards improving operational efficiency and effectiveness of the TTSEC.

Our risk based supervision framework provides a structured approach for understanding and assessing key risks inherent in an institution's activities, whether its risk management processes (i.e. identification, assessment, measurement, monitoring, controlling, mitigating and reporting of risks) are adequate in the context of the key risks and whether its earnings, capital and liquidity are sufficient to enable it to support its risk profile and withstand unexpected shocks.

We will continue to access assistance from our regional partners to enhance our regulatory capacity.

REGULATORY REQUIREMENTS FOR SUBSTANTIAL SHAREHOLDERS

The Securities Act, 2012 (the Act) as amended, endows the Trinidad and Tobago Securities and Exchange Commission (the Commission) with various powers and oversight to foster a fair and efficient securities market in Trinidad and Tobago.

Under its mandate, the Commission is charged with the responsibility to ***"regulate and supervise the timely, accurate, fair and efficient disclosure of information to the securities industry, and the investing public"***. This mandate, to supervise and regulate disclosures, is not restricted solely to persons who are registered with the Commission, but rather it extends to both registered persons (registrants), as well as certain unregistered persons (non-registrants).

'Substantial shareholders' is an example of a category of non-registrants to whom such regulatory and other disclosure requirements apply. However, these requirements for substantial shareholders of registrants, are not centralized in one location, but rather are contained within the Act, the Securities Industry (Take-Over) By-Laws, 2005 (the Take-Over By-Laws) and the Companies Act, 1995 (the Companies Act) collectively. Accordingly, this article seeks to highlight and summarize the regulatory requirements for substantial shareholders.

WHAT IS A SUBSTANTIAL SHAREHOLDER?

For the purposes of this article and the securities law, a substantial shareholder is broadly defined as any person who beneficially owns, or has control of over ten percent (10%) or more of voting securities, entitling him to cast at least ten percent (10%) of the total votes at any meeting of shareholders of a registrant.

The reference to a person includes both natural (individuals) and non-natural persons (entities and/or Trusts) and for the remainder of this article a registrant refers to either-

(1) an entity that has issued securities to a member of the public (a reporting issuer); or

(2) a person registered with the Commission to conduct business as a broker-dealer, underwriter or an investment adviser (a registrant under Section 51(1) of the Act).

THE REGULATORY REQUIREMENTS FOR SUBSTANTIAL SHAREHOLDERS

Commission's Approval to become a substantial shareholder (Section 54)

A person shall not own, direct or have control of over ten percent (10%) or more of voting securities of a person registered with the Commission to conduct business as a broker-dealer, underwriter or an investment adviser without the Commission's approval.

A person wanting to become a substantial shareholder of a registrant registered under Section 51(1) of the Act, shall apply for and be granted approval from the Commission before acquiring ten percent (10%) or more of a voting interest of said registrant. However, this requirement of pre-approval from the Commission does not extend to financial institutions registered under the Financial Institutions Act or other registrants registered under Section 51(1) of the Act. In the case of the latter, approval is deemed automatically granted. Notwithstanding said approval, both financial institutions and registrants under section 51(1) must notify the Commission that they have become substantial shareholders of the registrant **within one month** of the occurrence of such event.

Persons who do not fall into the aforementioned categories for exemption from pre-approval and who become substantial shareholders other than through the purchase of shares, are required to apply to the Commission for approval. Examples of such instances may include, but not be limited to, acquisition by will or intestacy. A person becoming a substantial shareholder under such circumstances, is required to submit an application to the Commission within one month of becoming aware of same.

NOTIFICATIONS TO THE REPORTING ISSUERS PURSUANT TO THE COMPANIES ACT

The Companies Act requires that a reporting issuer who is also deemed a public company* must file a copy of its Register of substantial shareholders, as well as notices of every entry and/or change therein, with the Commission.

In order for the reporting issuer to meet its reporting obligations however, the substantial shareholder is required to notify the reporting issuer that he has become and/or ceased to be a substantial shareholder of said reporting issuer, within fourteen (14) days of becoming aware of such fact. The notification to the reporting issuer must include the name, address and full particulars of the shares held by the substantial shareholder or his nominee**.

Notifications to the Commission and to the general public pursuant to the Securities Law

The Securities Act, 2012 as amended – Disclosure of trading activity (Section 136)

Substantial shareholders of reporting issuers are required to disclose their holdings of and their subsequent trading activities in, the securities of the reporting issuer

*A company that has issued securities to the public which is traded on any stock exchange or for which there has been a filing of a prospectus, registration statement, stock exchange takeover bid circular or similar instrument.

**A person or firm to whom securities are transferred, for the conduct of transactions while the substantial shareholder remains the owner of the securities.

Substantial shareholders are required to disclose, to the Commission, their holdings of all securities (voting and non-voting) in the reporting issuer for which they are a substantial shareholder. This disclosure is required to be made **within five (5) business days** of coming into possession of ten percent (10%) or more of the voting securities of the reporting issuer.

Additionally, substantial shareholders shall also disclose, to the Commission, all changes to their holdings in securities of the reporting issuer within five (5) business days of the occurrence of such changes.

The aforementioned disclosures are to be reported to the Commission on Form 22 – Trading Report of a Person Connected to a Reporting Issuer, a copy of which is required to be submitted to the reporting issuer forthwith thereafter.

THE TAKE-OVER BY-LAWS (BY-LAW 19)

The Take-Over By-Laws, require a substantial shareholder to notify the Commission and the public of its acquisition of voting securities of the reporting issuer, once same is not being acquired pursuant to a formal issuer or take-over bid.

The Take-Over By-Laws require substantial shareholders of a reporting issuer to notify the Commission and the public of their acquisition of voting or equity securities of any class of that reporting issuer, which would bring their aggregate holdings of securities of that class to ten percent (10%) or more of the outstanding securities. Notifications are required in all instances except pursuant to a formal issuer bid or take-over bid.

Substantial shareholders who have acquired ten percent (10%) or more of the outstanding voting securities of a reporting issuer are also required to notify the Commission and the public of every additional two percent (2%) or more of securities acquired.

In each case above, the public must be notified **immediately** upon the acquisition of the securities, by way of a press release, which is also required to be filed with the Commission forthwith. The Commission, however, must also be notified by way of a report, within two (2) days of the acquisition of the securities.

By-Law 31 of the Take-Over By-Laws further sets out the information required to be contained in the report and press release referred to above. This includes but is not limited to the name of the offeror, number of securities that were acquired, the name of the market in which the acquisition took place and the names of all persons acting jointly with the offeror in connection with the securities of the offeree issuer.

In conclusion, the Commission wishes to urge substantial shareholders to ensure that they become familiar with the requirements above and to seek full compliance in respect of same.

DIVISIONAL
spotlight

Legal Advisory and Enforcement Division (LA&E)

The Trinidad and Tobago Securities and Exchange Commission (TTSEC) is governed by the Securities Act 2012, which is intended to provide further protection to investors from unfair, improper or fraudulent practices; foster the development of a fair securities market; and promote integrity and transparency within the market. As such, the Legal Advisory and Enforcement Division's key functions include a focus on the corporate, strategic and tactical legal initiatives, as well as the management of the Commission's legal function.

LA&E:

- Provides continuing counsel and guidance on legal matters and on legal implications of all matters.
- Serves as key lawyer/legal advisor on all major business transactions, including acquisitions, divestitures and joint ventures.
- Decides on selection, retention, management and evaluation of all external counsel.
- Organises and manages the company's internal legal function and staff.
- Assumes ultimate responsibility for ensuring that the Commission conducts its business in compliance with applicable laws and regulations.
- Recommends the commencement of investigations of securities law violations, by the Commission.
- Conducts investigations pursuant to Section 150 of the SA 2012 as amended, into market abuse, market manipulation, insider trading and other securities market contraventions.

DOWNLOAD OUR MOBILE APP

Available on the iPhone App Store

ANDROID APP ON Google play

The TTSEC APP -
Bringing Investor updates Closer to You

The Commission promotes Investor Education as part of its mandate and has been evolving to meet the many communication needs of the general public. Its' advancement into the technological realm has brought with it a new approach to investor education and to crafting messages for persons on the go.

Many businessmen and women, like you, have become increasingly mobile and need to access information at your fingertips.

The TTSEC has recognised this need for quick and easy access to information, particularly as it relates to the performance of investments on the stock exchange. This App also makes it easier for you to access relevant investor news and updates, as well as input requests for information on-the-go.

KEY FEATURES OF THE MOBILE APPLICATION INCLUDE:

- Access to view the stocks traded on the Trinidad and Tobago Stock Exchange, which includes: current price; any increase or decrease; graph showing changes over time; and also customisation to view only those stocks in which you have invested.
- Access to the latest listing of reporting issuers, broker-dealers, registered representatives, investment advisers, underwriters and self-regulatory organisations registered with the TTSEC.
- Access to download a fillable complaint form, as well as reference the TTSEC's key contact information and the ability to submit queries via an in-app form,
- Daily investor tips designed to provide your clients with a constant source of information which would increase their knowledge about financial terms, your rights and responsibilities as consumers of financial services and other investor education related matters.
- Interactive quizzes designed to both test your clients' knowledge and make them more financially literate.

This mobile app is currently available for download on Android and iOS handsets, via the respective app stores. You are encouraged to share this information with your clients and other stakeholders.

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