

SECURITIES ACT

CHAPTER 83:02

Act
***17 of 2012**
Amended by
9 of 2014

**See Note on page 2*

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Note on Subsidiary Legislation

This Chapter also contains subsidiary legislation enacted under Act No. 32 of 1995, which has been saved by Act No. 17 of 2012 and is attached as an Appendix to this Act.

Note on Consequential Amendments

Section 172 of this Act (No. 17 of 2012) amended both the Proceeds of Crime Act (Ch. 11:27) and the Financial Institutions Act (Ch. 79:09). These amendments have been duly incorporated into the respective Acts and section 172 deleted accordingly.

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SECURITIES ACT

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CHAPTER 83:02

SECURITIES ACT

An Act to provide protection to investors from unfair, improper or fraudulent practices; foster fair and efficient securities markets and confidence in the securities industry in Trinidad and Tobago; to reduce systemic risk, to repeal and replace the Securities Industry Act, Chap. 83:02 and for other related matters. 17 of 2012.

*[ASSENTED TO 24TH DECEMBER 2012]

WHEREAS it is enacted *inter alia* by subsection (1) of section 13 of the Constitution that an Act to which this section applies may expressly declare that it shall have effect even though inconsistent with sections 4 and 5 of the Constitution and, if any such Act does so declare, it shall have effect accordingly: Preamble.

And whereas it is provided by subsection (2) of the said section 13 of the Constitution that an Act to which this section applies is one the Bill for which has been passed by both Houses of Parliament and at the final vote thereon in each House has been supported by the votes of not less than three-fifths of all the members of that House:

And whereas it is necessary and expedient that the provisions of this Act shall have effect even though inconsistent with sections 4 and 5 of the Constitution:

PART I

PRELIMINARY

1. This Act may be cited as the Securities Act. Short title.
2. This Act came into operation on 31st December 2012. Commencement. 408/2012.
3. This Act has effect even though inconsistent with sections 4 and 5 of the Constitution. Act inconsistent with Constitution.

*See section 2 for date of commencement.

Interpretation.
[9 of 2014].

4. (1) In this Act unless the context otherwise requires—

“*ad hoc* Commissioner” means a person appointed under section 10(7);

“affiliate” means an affiliated body corporate or affiliated person within the meaning of subsection (2);

“Alternative Trading System” or “ATS” means a securities market that—

(a) is not a quotation and trade reporting system or a securities exchange; and

(b) does not—

(i) require an issuer to enter into an agreement to have its securities traded on the securities market;

(ii) provide, directly or through one or more subscribers, a guarantee of a two-sided market for a security on a continuous or reasonably continuous basis;

(iii) set requirements governing the conduct of subscribers, other than conduct in respect of the trading by those subscribers on the securities market; and

(iv) discipline subscribers other than by the exclusion from participation in the securities market;

“approved foreign issuer” means a foreign issuer—

(a) that is on the date of its application to be a reporting issuer under section 61(1) or at the date of its filing of a revised registration statement under section 61(2), the equivalent of a reporting issuer under the securities laws of a designated foreign jurisdiction;

(b) that has been for the three years immediately preceding the relevant date the equivalent of a reporting issuer under the securities laws of a designated foreign jurisdiction; and

(c) that is subject to foreign disclosure requirements;

(d) ***(Deleted by Act No. 9 of 2014);***

“approved rating” means an investment grade rating or higher from a designated rating organisation;

“asset-backed security” means any security that is primarily serviced by the cash flows of a distinct pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, together with any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

“associate”, when used to indicate a relationship with any person, means—

- (a) an entity of which that person beneficially owns or controls, directly or indirectly, either shares or securities currently convertible into shares, carrying twenty per cent or more of the voting rights;
- (b) a partner of that person acting on behalf of the partnership of which they are partners;
- (c) a trust or estate, in which that person has a substantial beneficial interest or in respect of which he serves as a trustee, legal representative or in a similar capacity;
- (d) a spouse or child of that person; or
- (e) a relative of that person if that relative has the same residence as that person;

“bank” has the meaning assigned to it in the Financial Institutions Act; Ch. 79:09.

“beneficial owner”, in relation to a security, means a person who has beneficial ownership of the security although that person may not be the registered owner of the security;

“beneficial ownership”, in relation to a security, means entitlement to the benefits of ownership of the security and includes direct ownership, ownership through a trustee, legal representative, agent or other intermediary, and a person shall be deemed to have beneficial ownership of a security, including an unissued security, if the person is the beneficial owner of a security convertible into the

underlying security, or an option or right to purchase the underlying security or securities convertible into the underlying security—

- (a) under all circumstances; or
- (b) by reason of the occurrence of an event that has occurred and is continuing;

“blocked account” means an account of a participant over which a person other than the participant exercises control pursuant to procedures established under section 123;

“branch office” means an office or place of business, whether in Trinidad and Tobago or elsewhere, where a registrant registered under section 51(1) conducts all or any part of its business for which registration is required under this Act, other than its principal place of business in Trinidad and Tobago, but does not include an office established solely for the purpose of—

- (a) promoting the services of the registrant; or
- (b) performing functions which are solely administrative in nature;

“broker-dealer” means a person engaging in, or holding himself out as engaging in, the business of—

- (a) effecting transactions in securities for the account of others;
- (b) buying or selling securities for his own account and who holds himself out at all normal times, as willing to buy and sell securities at prices specified by him; or
- (c) such other activities as may be prescribed;

“business combination” means an amalgamation, merger, arrangement, or similar transaction;

“business day” means any day on which institutions licensed under the Financial Institutions Act are open for the conduct of business in Trinidad and Tobago;

Ch. 79:09.

“Bye-law” means any bye-law made under section 148;

“Central Depository” means the Trinidad and Tobago Central Depository Limited;

“Chairman” means the Chairman of the Commission appointed under section 10;

“clearing agency” includes the Central Depository and any entity that—

- (a) maintains records of trades of securities for the purpose of settling claims for money and securities;
- (b) maintains records of transfers and pledges of securities for the purpose of permitting securities to be transferred by record entry;
- (c) holds security certificates deposited with it for the purpose of permitting securities to be transferred by record entry;
- (d) acts as an intermediary in paying funds or delivering securities, or both, in connection with trades and other transactions in securities;
- (e) provides centralised facilities for the clearing of trades and other transactions in securities, including facilities for comparing data in respect of the terms of settlement of a trade or transaction; or
- (f) provides centralised facilities as a depository of securities,

but does not include a broker-dealer or financial institution acting exclusively in the ordinary course of its business;

“cohabitant” has the meaning assigned to it in the Cohabital Relationships Act; Ch. 45:55.

“collective investment scheme” means any arrangement with respect to property of any description including money—

- (a) the purpose or effect of which is to enable persons taking part in the arrangement, whether by becoming owners of the property or any part of it, or otherwise to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income; and

(b) that does not invest—

- (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is itself a collective investment scheme; or
- (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is itself a collective investment scheme;

“Commission” means the Trinidad and Tobago Securities and Exchange Commission established under section 5;

“Commissioner” means any person appointed under section 10 as a Commissioner or temporary Commissioner;

“commodity”, in relation to a contract, means any produce, item, goods or article and includes an index, right or interest in such commodity of any nature as may be prescribed;

Ch. 15:08. “communications” has the meaning assigned to it in the Interception of Communications Act;

“contingency fund” means a fund established by a self-regulatory organisation under section 47 created for the purpose of compensating customers for losses resulting from the insolvency, bankruptcy or default of a member of the Stock Exchange;

“control”, in relation to an issuer, means the power of a person, or persons acting jointly or in concert, by virtue of the holding of securities of the issuer, or by virtue of any agreement, arrangement, commitment or understanding with any person or persons, to direct that the business and affairs of the issuer be conducted in accordance with the wishes of such person or persons, and is—

- (a) deemed to exist where the person or persons exercise control or direction over fifty per cent or more of the voting power in, or in relation to, that issuer; and
- (b) presumed to exist where the person or persons exercise control or direction over thirty per cent or more of the voting power in, or in relation to, that issuer;

“control”, in relation to a security, is deemed to exist where—

- (a) the person, directly or indirectly, directs the trading or voting of the security;
- (b) the security is owned by an issuer that the person controls; or
- (c) the security is owned by an affiliate of the person or by an issuer that the person controls;

“derivative” means an option, swap, futures contract, forward contract, or other financial or commodity contract or instrument whose market price, value, delivery obligations, payment obligations or settlement obligations are derived from reference to or based on an underlying interest (including a value, price, rate, variable, index, event, probability or thing), but does not include any contract or instrument that is prescribed not to be a derivative or that by reason of Bye-law under section 148(1)(tt) is not a derivative;

“designated foreign jurisdiction” means a jurisdiction that is declared to be a designated foreign jurisdiction under subsection (9);

“designated rating organisation” means a rating organisation that is declared to be a designated rating organisation under subsection (9);

“director” means a director of a company or an individual performing a similar function or occupying a similar position for or in relation to an entity, including the trustee of a trust;

“distribution” means a trade—

- (a) in securities of an issuer that have not previously been issued;
- (b) in previously issued securities of an issuer that have been redeemed, repurchased or otherwise re-acquired by the issuer;
- (c) by an underwriter, acting as underwriter, in previously issued securities where such securities—
 - (i) were not registered pursuant to this Act; and

- (ii) were purchased from the issuer by such underwriter less than six months prior to such trade; or
- (d) in previously issued securities of an issuer from the aggregate holdings of any person, or combination of persons acting jointly, where the number of securities of that class held by the person, or combination of persons acting jointly—
 - (i) enables or permits the person, or combination of persons acting jointly, to elect or appoint a majority of the board of directors, or exercise control or direction over the management or policies of the issuer; and
 - (ii) is equal to thirty per cent or more of the outstanding voting securities of the issuer,

whether or not in the course of any transaction or series of transactions;

“entity” means a body corporate, trust, partnership, collective investment scheme, fund or other unincorporated enterprises or organisations;

“expert” means an Attorney-at-law, engineer, accountant, valuator or any other person whose profession or reputation gives authority to a statement made by him;

“financial group” means a group of companies under common control comprising a registrant and any other entity which conducts material activities in at least one sector regulated by the Central Bank of Trinidad and Tobago;

Ch. 79:09. “financial institution” means a company licensed under the Financial Institutions Act;

Ch. 72:01. “Financial Intelligence Unit” means the Financial Intelligence Unit established under section 3 of the Financial Intelligence Unit of Trinidad and Tobago Act;

“financial reporting standards” means IFRS or such other accounting standards that are declared to be financial reporting standards under subsection (9);

“foreign disclosure requirements” means the public disclosure requirements to which a foreign issuer is subject by a securities regulatory authority, securities commission or securities exchange in a designated foreign jurisdiction;

“form of proxy” means a written or printed form that, upon completion and signature by or on behalf of a security holder, becomes a proxy;

“former Act” means the Securities Industry Act, repealed by this Act; 32 of 1995.

“government entity” means the Government of the Republic of Trinidad and Tobago, the Tobago House of Assembly, the Central Bank of Trinidad and Tobago or any department or agency thereof that is otherwise prescribed;

“ICATT” means the Institute of Chartered Accountants of Trinidad and Tobago;

“IFRS” means International Financial Reporting Standards issued by the International Accounting Standards Board and as adopted by ICATT;

“Inspector” means the Inspector of Financial Institutions appointed under the Financial Institutions Act, and includes any person appointed to act temporarily for him; Ch. 79:09.

“interim period” means a period commencing on the first day of the financial year and ending three, six or nine months after the start of the financial year or as otherwise prescribed;

“international agency” means—

- (a) the International Bank for Reconstruction and Development;
- (b) the Inter-American Development Bank;
- (c) the Caribbean Development Bank;
- (d) the Asian Development Bank;
- (e) the African Development Bank;
- (f) the European Bank for Reconstruction and Development;
- (g) the International Finance Corporation; or
- (h) any other person declared to be an international agency under subsection (9);

“investment advice” means advice with respect to an investment in, or the purchase, sale or holding of, a security;

“investment adviser” means a person engaging in, or holding himself out as engaging in, the business of providing investment advice, and includes a person that provides investment advice to a manager of a collective investment scheme;

“investment contract” includes any contract, transaction, plan, scheme, instrument or writing, whereby a person invests money or other property in a common enterprise with the expectation of profit or gain based on the expertise, management or effort of others, and such money or other property is subject to the risks of the common enterprise;

“investment decision” means a decision to purchase, transfer, hold or sell securities;

“issuer” means a person that has securities outstanding or issues, or proposes to issue or distribute, a security;

“issuer bid” means an offer to acquire or redeem securities of an offeree issuer made by the offeree issuer to any security holder of the offeree issuer and includes a purchase, redemption or other acquisition of securities of the offeree issuer by the offeree issuer from any such person, but does not include an offer to acquire or redeem debt securities that are not convertible into securities other than debt securities;

“limited offering” means a distribution by a government entity or private issuer where—

- (a) following the completion of such distribution, the number of security holders of the issue is thirty-five or less persons not including senior officers and employees or former senior officers and employees of the issuer and its affiliates;
- (b) the constituent documents of the distribution contain provisions restricting the aggregate number of security holders of the issue to thirty-five persons or less not including senior officers and employees or former senior officers and employees of the issuer and its affiliates;

- (c) no selling or promotional expenses are paid or incurred in connection with the distribution except for professional services or services provided by a registrant under section 51(1), (2) or (5); and
- (d) no general solicitation or advertising to market the securities is used;

“management discussion and analysis” means a discussion and analysis of the comparative financial statements by senior officers of a registrant;

“manager of a collective investment scheme” means a person who directs the business, operations or affairs of a collective investment scheme;

“market actor” means—

- (a) a registrant;
- (b) a person exempted under this Act from the requirement to be registered;
- (c) senior officer, or promoter of a reporting issuer;
- (d) a custodian, trustee, sponsor, manager, administrator or such other persons performing similar functions for a collective investment scheme;
- (e) a self-regulatory organisation;
- (f) a designated rating organisation;
- (g) a transfer agent for securities of a reporting issuer;
- (h) a registrar for securities of a reporting issuer;
- (i) the partner of a market actor;
- (j) a contingency fund required under Part III of this Act;
- (k) a settlement assurance fund required under Part III of this Act;
- (l) a securities market;
- (m) a clearing agency;

- (n) an auditor of a registrant or self-regulatory organisation;
- (o) a substantial shareholder of an entity registered under section 51(1); or
- (p) any other person or member of a class of persons prescribed to be a market actor;

“material change” means—

- (a) when used in relation to an issuer other than a collective investment scheme, a change in the business, operations, assets or ownership of an issuer, the disclosure of which would be considered important to a reasonable investor in making an investment decision and includes a decision to implement such a change made by the directors of the issuer or other persons acting in a similar capacity; or
- (b) when used in relation to an issuer that is a collective investment scheme, a change in the business, operations or affairs of the issuer, the disclosure which would be considered important by a reasonable investor in determining whether to purchase, sell or transfer or continue to hold securities of the issuer, and includes a decision to implement such a change made by the directors of the issuer or the directors of the manager of the issuer or other persons acting in a similar capacity;

“material fact” means, when used in relation to the affairs of an issuer or its securities, a fact or a series of facts, the disclosure of which would be considered important to a reasonable investor in making an investment decision;

“material non-public information” means, in relation to securities of a reporting issuer, any material fact or material change that has not been published;

“Minister” means the Minister to whom responsibility for finance is assigned and “Ministry” shall be construed accordingly;

“misrepresentation” means—

- (a) an untrue statement of a material fact or material change; or

- (b) an omission to state a material fact or material change that is required to be stated or is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it is made;

“offeree issuer” means an issuer—

- (a) whose securities are the subject of a take-over bid, an issuer bid or an offer to acquire; and
(b) who has at least one security holder resident in Trinidad and Tobago, whether or not the take-over bid, issuer bid or offer to acquire is made to a security holder resident in Trinidad and Tobago;

“offer to acquire” includes—

- (a) an offer to purchase, or a solicitation of an offer to sell securities;
(b) an acceptance of an offer to sell securities, whether or not such offer to sell has been solicited,

or any combination thereof, and the person accepting an offer to sell shall be deemed to be making an offer to acquire from the person that made the offer to sell;

“participant” means a person who receives non-exclusive service from a clearing agency or through another person who acts as—

- (a) a pledgee;
(b) a judgment creditor; or
(c) a beneficial owner,

for whom a blocked account in a clearing agency is established;

“prescribed” means as prescribed in the Bye-laws;

“person” includes an entity;

“private issuer” means an issuer—

- (a) that is not a reporting issuer;

(b) whose securities, other than non-voting debt securities—

- (i) are subject to restriction on transfer; and
- (ii) are beneficially owned by no more than thirty-five persons, not including employees and former employees of the issuer;

(c) that does not distribute securities in the securities market on a frequent basis; and

(d) that meets such other requirements as may be prescribed;

“promoter” means a person that takes the initiative in founding, organising or substantially reorganising an issuer;

“proxy” means a completed and signed form of proxy by means of which a holder of voting securities of an issuer appoints a proxy holder to attend and act on his behalf at a meeting of security holders;

“publication” includes any information disclosed, circulated or disseminated, whether—

- (a) by any visit in person;
- (b) in a newspaper, magazine, journal or other publication;
- (c) by the display of posters or notices;
- (d) by means of circulars, brochures or pamphlets;
- (e) by way of sound or broadcasting, including television or radio broadcasting;
- (f) by any information system or electronic device; or
- (g) by any other means, whether mechanically, electronically, magnetically, optically, manually or by way of production or transmission of light, image or sound, or by any other medium;

“published”, when used in relation to the disclosure of a material fact or material change, means—

- (a) published in two daily newspapers of general circulation in Trinidad and Tobago; or
- (b) made available to the public in such manner as approved by the Commission;

“purchase” includes—

- (a) any acquisition of a security for valuable consideration, whether the terms of payment are on margin, installment or otherwise; and
- (b) any act, advertisement, conduct or negotiation, directly or indirectly, done in furtherance of paragraph (a),

but does not include a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a bona fide debt;

“quotation and trade reporting system” means a facility that disseminates price quotation for the purchase and sale of securities and reports of completed transactions in securities for the exclusive use of subscribers, but does not include a securities exchange, ATS or a registrant;

“rating organisation” means an organisation that issues ratings in relation to the creditworthiness of an entity or the financial obligations issued by an entity by employing either a quantitative or qualitative model or both;

“records” means—

- (a) books of account, bank accounts and other bank records, correspondence, notes, memoranda and any other books, accounts, documents, data or information relating to the property or affairs of a person; or
- (b) data or information prepared or maintained in a bound or loose leaf form or in a photographic film form or entered or recorded by any system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written or other visual form, within a reasonable time;

“registered representative” means an individual required to be registered under section 51(2);

“registrant” means a person registered or required to be registered under Part IV;

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“relative”, in respect of any person, means the spouse, a cohabitant as defined in the Cohabital Relationships Act, parent, grandparent, brother, sister, children, the children of a cohabital relationship, adopted children and step-children of the person;

“reporting issuer” means an issuer—

- (a) that was immediately before the coming into force of this Act, a reporting issuer under the former Act;
- (b) that is registered or is required to be registered under this Act as a reporting issuer;
- (c) any of whose securities are listed on a registered securities market; or
- (d) whose existence continues or who comes into existence following a takeover, business combination or other reorganisation involving an exchange of securities in which one of the parties was a reporting issuer at the time of the transaction,

but does not include a government entity or international agency;

“right to acquire a security” means—

- (a) a security convertible or exchangeable into another security;
- (b) a security carrying a warrant or right to acquire another security; or
- (c) a currently exercisable option, warrant or right to acquire another security or security specified in paragraph (a) or (b);

“sale” includes—

- (a) a disposition of a security for valuable consideration, whether the terms of payment are on margin, instalment, or otherwise; and
- (b) any act, advertisement, conduct or negotiation directly or indirectly done in furtherance of paragraph (a),

but does not include a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a bona fide debt;

“Secretary” means the Secretary of the Commission appointed under section 24;

“securities exchange” means an entity which maintains or provides—

- (a) physical facilities where persons may meet to execute trades in securities; or
- (b) a mechanical, electronic or other system that facilitates execution of trades in securities by matching offers of purchase and sale,

and includes the Stock Exchange;

“securities market” means—

- (a) a securities exchange, quotation and trade reporting system, ATS; or
- (b) any other person that—
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;
 - (ii) brings together the orders for securities of multiple buyers and sellers; and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other and buyers and sellers entering the orders agree to the terms of a trade;

“securities register” means a record or records maintained by or on behalf of an issuer in which the securities issued by the issuer are recorded showing with respect to each class or series of securities—

- (a) the name and address of each registered security holder of the issuer;
- (b) the number of securities held by each security holder; and
- (c) the date and particulars of the issue and transfer of each security;

“security” includes any document, instrument or writing evidencing ownership of, or any interest in, the capital, debt, property, profits, earnings or royalties of any person and without limiting the generality of the foregoing, extends to—

- (a) any bond, debenture, note or other evidence of indebtedness;
- (b) any share, stock, unit, unit certificate, participation certificate, certificate of share or interest;
- (c) any document, instrument or writing commonly known as a security;
- (d) any document, instrument or writing evidencing an option, subscription or other interest in or to a security;
- (e) any investment contract;
- (f) any asset-backed security;
- (g) any document, instrument or writing constituting evidence of any interest or participation in—
 - (i) a profit-sharing arrangement or agreement;
 - (ii) a trust; or
 - (iii) an oil, natural gas or mining lease, claim or royalty or other mineral right;
- (h) any agreement under which the interest of the purchaser is valued for the purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets;
- (i) any derivative; or
- (j) any right to acquire or dispose of anything specified in paragraphs (a) to (i),

but does not include—

- (i) currency;
- (ii) a cheque, bill of exchange, or bank letter of credit;

- (iii) a certificate or document constituting evidence of any interest in a deposit account with—
 - (A) a financial institution;
 - (B) a credit union within the meaning of the Co-operative Societies Act; Ch. 81:03.
 - (C) a registrant under the Insurance Act; or Ch. 84:01.
- (iv) a contract of insurance;

“self-regulatory organisation” means—

- (a) a clearing agency;
- (b) securities exchange;
- (c) an association of market actors registered or required to be registered under this Act; or
- (d) such other entity, that sets standards for, or monitors the conduct of its members or participants relating to, trading in, or advising on securities;

“senior officer” means the members of the board of directors of an entity, the managing director, the chief executive officer, chief operating officer, the deputy managing director, the president, the vice-president, the secretary, the treasurer, the chief financial officer, the financial controller, the general manager, the deputy general manager, corporate secretary, chief accountant, chief auditor, chief investment officer, chief compliance officer and chief risk officer of an entity or any other individual who performs functions for an entity similar to those normally performed by an individual occupying any such office;

“settlement assurance fund” means a fund established by a self-regulatory organisation under section 47 to ensure continuity in securities clearing and settlement in the event of the failure to settle a transaction by a participant of a clearing agency;

“sponsored broker dealer” means an individual who is registered under section 51(5) to conduct business in securities in Trinidad and Tobago on behalf of a broker-dealer (or the equivalent or similar) who is registered under the securities legislation of a designated foreign jurisdiction;

“sponsored investment adviser” means an individual who is registered under section 51(5) to provide investment advice in Trinidad and Tobago on behalf of an investment adviser (or the equivalent or similar) who is registered under the securities legislation of a designated foreign jurisdiction;

“Stock Exchange” means the Trinidad and Tobago Stock Exchange Limited;

“subsidiary” means an entity that is controlled by another entity;

“take-over bid” means an offer to acquire outstanding voting or equity securities of a class made to any security holder of the offeree issuer where the securities, subject to the offer to acquire, together with the offeror’s security, constitute in the aggregate thirty per cent or more of the outstanding securities of that class of securities at the date of the offer to acquire;

“temporary Commissioner” means a person appointed under section 10(4) or (6);

“trade” includes—

- (a) any sale or purchase of a security;
- (b) any participation as a registrant or agent in any transaction in a security; or
- (c) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any activity referred to in paragraph (a) or (b);

“trader” means an individual employed by a broker-dealer to participate in any transaction in securities;

“underwriter” means a person who—

- (a) as principal, agrees to purchase a security for the purpose of a distribution;
- (b) as agent, offers for sale or sells a security in connection with a distribution; or
- (c) participates directly or indirectly in a distribution described in paragraph (a) or (b) for valuable consideration,

but does not include—

- (i) a person whose interest in the transaction is limited to receiving the usual and

customary distribution or sales commission payable by an underwriter or issuer; or

- (ii) a company that purchases shares of its own issue and resells them; and

“voting security” means a security carrying voting rights—

- (a) under all circumstances; or
- (b) by reason of the occurrence of an event that has occurred and is continuing,

and includes a right, other than a call option, to acquire such a security.

(2) For the purposes of this Act—

- (a) one entity is affiliated with another entity if one of them is the subsidiary of the other or both are subsidiaries of the same entity, or each of them is controlled by the same person;
- (b) if two entities are affiliated with the same entity at the same time, they are affiliated with each other;
- (c) an entity is the holding entity of another if that other entity is its subsidiary; and
- (d) a person that is not a body corporate or an individual is considered to be an affiliated person of another person, including a body corporate, if it is controlled by that other person, provided that a person is controlled by another person where—
 - (i) in the case of a partnership, the second-mentioned person owns or holds more than fifty per cent of the interest in the partnership; and
 - (ii) in the case of the first-mentioned person other than a body corporate, an individual, or a partnership, securities of the first-mentioned person carrying fifty per cent or more of the interests in such person, are held or owned, by or for the benefit of the second-mentioned person.

(3) For the purposes of this Act, a person is connected to a reporting issuer if the person—

- (a) is a senior officer of the reporting issuer;
- (b) is a senior officer of—
 - (i) an affiliate of the reporting issuer; or
 - (ii) any person who beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the reporting issuer, or a combination of both, carrying more than ten per cent of the votes attached to all voting securities of the reporting issuer outstanding;
- (c) beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the reporting issuer, or a combination of both, carrying ten per cent or more of the votes attached to all voting securities of the reporting issuer outstanding;
- (d) is engaging in or is proposing to engage in, whether alone or with any other person—
 - (i) a take-over bid for any securities of the reporting issuer;
 - (ii) any amalgamation, merger or similar business combination with the reporting issuer; or
 - (iii) any other material transaction with or including the reporting issuer;
- (e) is engaging in or is proposing to engage in any business or professional activity with or on behalf of the reporting issuer or any person identified in paragraph (d), or is an employee of any such person or of the reporting issuer or any affiliate;
- (f) learns, directly or indirectly, of material non-public information with respect to a reporting issuer from any person and knows, or ought reasonably to have known, that the other person is connected to the reporting issuer; or

- (g) is an entity that is controlled by—
- (i) a person referred to in paragraph (a) or (b); or
 - (ii) a relative of a senior officer of the reporting issuer;

(h) } ***(Deleted by Act No. 9 of 2014).***
(i) }

(4) Notwithstanding subsection (3), a person connected to a reporting issuer is deemed to have continued to be connected to a reporting issuer—

- (a) in the case of subsection (3)(a), (b), (c), (e) or (g), up to six months after the day that the person otherwise ceases to be connected to a reporting issuer;
- (b) in the case of subsection (3)(d), until the time any transaction described in that subsection is published; and
- (c) in the case of subsection (3)(f), until such material non-public information is published.

(5) For the purposes of this Act, a person carries on an activity regulated under this Act in Trinidad and Tobago if such person is—

- (a) an entity which is incorporated, established or registered under any law in Trinidad and Tobago and is carrying on an activity regulated under this Act; or
- (b) an individual who carries on the regulated activity from within Trinidad and Tobago.

(6) For the purposes of this Act, an activity regulated under this Act shall be presumed to occur in Trinidad and Tobago in the absence of evidence to the contrary where, in the case of a distribution or an act, advertisement, conduct or negotiation in furtherance of a purchase or sale of a security, whether direct or indirect, such act, advertisement, distribution, conduct or negotiation is not solicited and—

- (a) is made by mail or courier, telephone or facsimile transmission, with or to a person in

Trinidad and Tobago or by electronic transmission where the sender knew or should have known that the recipient was a national of Trinidad and Tobago ordinarily resident in the jurisdiction; or

- (b) in the case of distributions made available on the Internet, the web pages and documents in respect of that distribution, may be accessed by persons resident in Trinidad and Tobago, unless the document or web page contains a prominent disclaimer that expressly identifies the jurisdictions in which the distribution is qualified to be made, and reasonable precautions are taken to ensure that no sales occur to persons in Trinidad and Tobago unless done in compliance with this Act.

(6A) Notwithstanding subsections (5) and (6), a broker-dealer, investment adviser, underwriter or its equivalent registered under the securities laws of a designated foreign jurisdiction may solicit from and effect transactions with or on behalf of—

- (a) a registrant registered under section 51(1) of this Act; or
- (b) a foreign person where—
- (i) in the case of an individual, the individual is temporarily present in Trinidad and Tobago;
 - (ii) in the case of an entity, the entity has a branch office located in Trinidad and Tobago;
 - (iii) the foreign broker-dealer, investment adviser or underwriter has a pre-existing relationship with the foreign person before the person entered Trinidad and Tobago; and
 - (iv) any advice provided or transactions effected are in relation to foreign securities.

(7) For the purposes of this Act, “futures contract” means rights under a contract for the sale or purchase of a commodity or property of any other description under which delivery is to be made at a future date and at a price agreed upon when the contract is made, other than a contract made for commercial and not investment purposes and for the purposes of this definition—

- (a) a contract is to be regarded as made for investment purposes if it is made or traded on a recognised securities exchange, or is made otherwise than on a recognised securities exchange, but is expressed to be traded on such an exchange or on the same terms as those on which an equivalent contract would be made on such an exchange;
- (b) the following are indications that a contract is made for commercial purposes—
 - (i) the terms of the contract delivery is made within seven days;
 - (ii) one or more of the parties is a producer of the commodity or other property or uses it in business; or
 - (iii) the seller delivers or intends to deliver the property or the purchaser takes or intends to take delivery of it,

and the absence of them is an indication that it is made for investment purposes;

- (c) it is an indication that a contract is made for commercial purposes that the prices, the lot, the delivery date or other terms are determined by the parties for the purposes of the particular contract and not by reference, or not solely by reference, to regularly published prices, to standard lots or delivery dates or the standard terms;
- (d) the following are indications that a contract is made for investment purposes:
 - (i) it is expressed to be as traded on a securities exchange;

- (ii) performance of the contract is ensured by a securities exchange or a clearing house; or
- (iii) there are arrangements for the payment or provisions of margin.

(8) For the purposes of subsection (7), a price is taken to be agreed on when a contract is made—

- (a) notwithstanding that it is left to be determined by reference to the price at which a contract is to be entered into at a time and place specified in the contract; or
- (b) in a case where the contract is expressed to be by reference to a standard lot and quality, notwithstanding that provision is made for a variation in the price to take account of any variation in quantity or quality on delivery.

(9) For the purposes of this Act, the Commission may, by Order, declare—

- (a) a foreign jurisdiction to be a designated foreign jurisdiction;
- (b) a rating organisation to be a designated rating organisation;
- (c) a person to be an international agency; or
- (d) any accounting standards to be financial reporting standards.

PART II

THE SECURITIES AND EXCHANGE COMMISSION

DIVISION 1—ESTABLISHMENT, FUNCTION AND POWER

Establishment of the Commission.

5. There is hereby established a body corporate, which shall be known as the Trinidad and Tobago Securities and Exchange Commission.

Functions of the Commission. [9 of 2014].

6. The functions of the Commission are to—

- (a) advise the Minister on all matters relating to the securities industry;

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UPDATED TO DECEMBER 31ST 2015

- (b) maintain surveillance over the securities industry and ensure orderly, fair and equitable dealings in securities;
- (c) register, authorise or regulate, in accordance with this Act, self-regulatory organisations, broker-dealers, registered representatives, underwriters, issuers and investment advisers, and control and supervise their activities with a view to maintaining proper standards of conduct and professionalism in the securities industry;
- (d) regulate and supervise the timely, accurate, fair and efficient disclosure of information to the securities industry and the investing public;
- (e) conduct such inspections, reviews and examinations of self-regulatory organisations, broker-dealers, registered representatives, underwriters, issuers and investment advisers as may be necessary for giving full effect to this Act;
- (f) protect the integrity of the securities market against any abuses arising from market manipulating practices, insider trading, conflicts of interest, and other unfair and improper practices;
- (g) educate and promote an understanding by the public of the securities industry and the benefits, risks, and liabilities associated with investing in securities;
- (h) co-operate with and provide assistance to regulatory authorities in Trinidad and Tobago, or elsewhere;
- (i) ensure compliance with the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law that is administered or supervised by the Commission;

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- (j) create and promote such conditions in the securities industry as may seem to it necessary, advisable or appropriate to ensure the orderly growth, regulation and development of the securities industry and to further the purposes of this Act;
- (k) co-operate with other jurisdictions in the development of a fair and efficient securities industry; and
- (l) assess, measure and evaluate risk exposure in the securities industry.

Powers of the Commission.
[9 of 2014].

7. (1) For the purpose of the discharge of its functions, the Commission has power to—

- (a) formulate principles for the guidance of the securities industry;
- (b) treat with such matters as may be referred to it by any person from time to time;
- (c) register and regulate market actors in accordance with this Act;
- (d) monitor the solvency of registrants that are entities, securities markets and self-regulatory organisations and take measures to protect the interest of investors where the solvency of any such person is in doubt;
- (e) adopt measures to supervise and minimise any conflict of interest that may arise in the case of registrants or self-regulatory organisations and where appropriate other market actors;
- (f) review, approve and regulate takeovers, amalgamations and all forms of business combinations in accordance with this Act or any other written law in all cases in which it considers it expedient or appropriate to do so;
- (g) review the contents of prospectuses and issue receipts therefor, and review any form of

- solicitation, advertisement or announcement by which securities are proposed to be distributed;
- (h) take enforcement action against any person for failing to comply with this Act;
 - (i) recommend Bye-laws to the Minister;
 - (j) formulate, prepare and publish notices, guidelines, bulletins and policies describing the views of the Commission regarding the interpretation, application, or enforcement of this Act;
 - (k) make orders;
 - (l) monitor the risk exposure of registrants and self-regulatory organisations and take measures to protect the interest of investors, clients, members and the securities industry;
 - (m) undertake such other activities as are necessary or expedient for giving full effect to this Act; and
 - (n) do all things, and take all actions, which may be necessary, expedient, incidental or conducive to the discharge of any of its functions and the exercise of its powers under this Act.

(2) The Commission may, in writing require any market actor to furnish it with such information as it may require for the exercise of its functions within such time and verified in such manner as it may specify.

(3) A market actor that is required to furnish information to the Commission in accordance with subsection (2) shall furnish the required information, within the time specified and verified in the manner specified by the Commission.

8. (1) For the purposes of the administration of this Act, the Commission may, by order, delegate any responsibility, power or function conferred on it by this Act to any—

Delegation of powers.
[9 of 2014].

- (a) Commissioner;
- (b) senior officer of the Commission; or
- (c) self-regulatory organisation registered under this Act.

(2) Notwithstanding subsection (1), the Commission shall not delegate its powers to—

- (a) make Bye-laws; or
- (b) hear appeals under section 160.

(3) A delegation pursuant to subsection (1) shall not preclude the exercise by the Commission of any power, duty, function or responsibility so delegated.

(4) All decisions made, and minutes of all meetings held by a delegatee under subsection (1) shall as soon as practicable be recorded in writing.

(5) A delegatee shall forthwith notify the Commission of every decision made by him.

(6) Any minutes recorded under subsection (4) shall as soon as practicable be forwarded to the Commission.

(7) Subject to section 160, a person aggrieved by a decision of a delegatee may, within fourteen days of the decision, apply to the Commission for a review of that decision.

(8) For the purposes of this section, “senior officer of the Commission” means a person holding or acting in the office of—

- (a) chief executive officer;
- (b) deputy chief executive officer;
- (c) General Counsel; or
- (d) director,

of the Commission.

Custody and
use of seal.

9. (1) The seal of the Commission shall be kept in the custody of the Chairman or the Secretary, as the Commission may determine, and shall be affixed to instruments in the presence of the Chairman or in the Chairman’s absence, of the Deputy Chairman, or the Secretary.

(2) The seal of the Commission shall be attested by the signature of the Chairman or in the Chairman’s absence the Deputy Chairman, and the Secretary.

(3) All documents, other than those required by law to be under seal, and all orders and decisions of the Commission may be signified under the hand of the Chairman or in the Chairman's absence, of the Deputy Chairman, or the Secretary.

(4) Service upon the Commission of any notice, order or other document shall be effected by delivering the same, or by sending it by registered post addressed to the Secretary at the office of the Commission.

DIVISION 2—MEMBERSHIP

10. (1) Subject to subsection (6) the Commission shall consist of no more than nine nor fewer than five individuals, (hereinafter referred to as Commissioners) including—

Constitution of
Commission.
[9 of 2014].

- (a) an attorney-at-law of at least ten years standing; and
- (b) a senior officer from the Ministry.

(2) The President shall appoint all the Commissioners and shall appoint one of their number to be its Chairman and another Commissioner to be its Deputy Chairman.

(3) The Commissioners, shall be selected from among persons who have—

- (a) been awarded degrees or professional qualifications; and
- (b) have a minimum of five years post-graduation experience,

in law, finance, business, economics, accounting, securities, investment or management.

(3A) *(Deleted by Act No. 9 of 2014).*

(4) Where a Commissioner is unable to perform his functions as Commissioner, by reason of illness, absence from Trinidad and Tobago, or otherwise, the President may appoint a temporary Commissioner to act in place of that Commissioner during his illness, absence or incapability, as the case may be.

(5) A temporary Commissioner appointed in accordance with subsection (4) shall have qualifications or experience similar to those of the Commissioner for whom he is appointed to act.

(6) Subject to subsection (3), where an office of Commissioner is vacant, the President may appoint a temporary Commissioner for a period not exceeding one year.

(7) In addition to the Commissioners appointed in accordance with subsection (2) the President may, on the advice of the Minister in consultation with the Commission, appoint not more than three persons with such expertise as may be required by the Commission, as *ad hoc* Commissioners for a period not exceeding one year.

(8) Subject to the terms of his appointment, a person appointed as a temporary or as an *ad hoc* Commissioner may exercise any of the functions and powers exercisable by a Commissioner under this Act.

(9) An appointment made under this section shall be published in the *Gazette*.

Disqualification
for
appointment.
[9 of 2014].

11. (1) A person shall not be appointed or continue as Commissioner if he—

- (a) is a registrant, an employee or senior officer of a registrant or self-regulatory organisation;
- (b) directly or indirectly, as owner, security holder, director, senior officer, partner, employee or otherwise has a material pecuniary or proprietary interest in—
 - (i) a registrant; or
 - (ii) a self-regulatory organisation;
- (c) is sentenced to imprisonment or is convicted of an offence involving fraud or dishonesty, whether in Trinidad and Tobago or elsewhere;
- (d) is declared bankrupt in accordance with the law of Trinidad and Tobago or any other country;

- (e) is a professional and is disqualified or suspended from practising his profession in Trinidad and Tobago or in any other country by an order of any competent authority made in respect of him personally;
 - (f) is unable to perform his functions because of illness or for any other reason;
 - (g) has been a senior officer of a company in the ten years immediately preceding—
 - (i) the making of a winding-up order being made by a Court in respect of that company; or
 - (ii) the date that the company has been placed in receivership;
 - (h) has been a senior officer of a former registrant or self-regulatory organisation whose registration has been revoked, unless such revocation was due to its—
 - (i) amalgamation with another registrant; or
 - (ii) voluntary winding-up; or
 - (i) has contravened this Act.
- (2) For the purposes of subsection (1)(b) a pecuniary or proprietary interest is material where—
- (a) it may reasonably be expected to have a significant influence on the ability of the member to make an unbiased decision; or
 - (b) the person has beneficial ownership of, or control or direction over—
 - (i) ten per cent or more of the outstanding equity or voting securities of a registrant registered under section 51(1); or
 - (ii) five per cent or more of the outstanding equity or voting securities of a reporting issuer,
- except as a trustee of a trust.

(3) If an interest referred to in subsection (1)(b) vests in a Commissioner by gift, will, succession or in any other manner for his own benefit, he shall—

- (a) forthwith after the vesting of the interest comes to his knowledge, disclose the interest in writing to the Commission; and
- (b) within three months or as soon as practicable of the vesting of the interest coming to his knowledge absolutely dispose of the interest or resign.

(4) A person who contravenes subsection (3)(a) is liable on summary conviction to a fine of five hundred thousand dollars and imprisonment for two years.

Term of office
and
remuneration.

12. (1) Subject to this section, a Commissioner other than a temporary Commissioner, shall hold office for a period not exceeding three years and shall be eligible for reappointment.

(2) The Chairman may resign his membership by notice in writing addressed to the President.

(3) A Commissioner, other than the Chairman, may at any time resign his membership by notice in writing addressed to the President and transmitted through the Chairman.

(4) A Commissioner may be removed from membership of the Commission by the President, where he—

- (a) becomes a person of unsound mind;
- (b) is absent from three consecutive meetings of the Commission without leave of the Commission or without reasonable cause;
- (c) is guilty of misconduct in relation to his duties as a Commissioner;
- (d) is sentenced to imprisonment or is convicted of an offence involving fraud or dishonesty, whether in Trinidad and Tobago or elsewhere; or
- (e) becomes disqualified for appointment under section 11.

(5) The Chairman and the other Commissioners shall be paid such remuneration and allowances in respect of their office as the President may determine from time to time.

13. No action or other proceeding shall be instituted against a Commissioner or an employee or agent of the Commission for an act done in good faith in the performance of a duty or in the exercise of a function or power of the Commission under this Act.

Protection of Commissioners, employees or agents.

14. (1) Subject to subsection (3) no person shall make use of or disclose any confidential information other than for the administration or enforcement of this Act.

Confidentiality. [9 of 2014].

(2) Notwithstanding subsection (1) or any other written law, the Commission or any duly authorised person or entity may disclose the information referred to in subsection (1)—

(a) pursuant to an order of the Court; or

(b) to—

- (i) a Commissioner, or an employee of the Commission;
- (ii) a representative of the government of Trinidad and Tobago duly authorised by the Minister;
- (iii) a duly authorised representative of the Central Bank, the Financial Intelligence Unit or a regulatory agency in Trinidad and Tobago;
- (iv) an expert hired or retained by the Commission; or
- (v) a duly authorised representative of a securities or financial regulatory authority outside of Trinidad and Tobago,

in connection with the administration and enforcement of this Act or similar legislation of any foreign jurisdiction if the Commission is satisfied that the information will be treated as confidential by the person or agency to whom it is disclosed and used strictly for the purpose for which it is disclosed.

(3) Subsection (1) applies to a person who receives information under subsection (2).

(4) For the purposes of this section, “confidential information” means any information obtained as a result of a person’s relationship with the Commission in the course of his duties in the exercise of the Commission’s functions under this Act or any other written law that is administered by the Commission but does not include information that is or has already been made available to the public.

(5) A person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of six hundred thousand dollars and to imprisonment for two years.

DIVISION 3—PROCEEDINGS OF COMMISSION

Meetings.

15. (1) The Commission shall ordinarily meet for dispatch of business at such time and place as the Chairman may decide but shall meet at least once in every two months.

(2) The Chairman shall, at the request in writing of not less than two Commissioners, call an extraordinary meeting of the Commission within seven days of the receipt of such request.

(3) Where the Chairman is absent from a meeting, the Deputy Chairman shall preside at the meeting.

(4) Where the Chairman and Deputy Chairman are both absent from a meeting, the Commissioners present shall elect one of their number to preside as Chairman at the meeting.

(5) The quorum at every meeting of the Commission shall be a majority of the Commissioners.

(6) All questions proposed at a meeting of the Commission shall be determined by a simple majority of the Commissioners present and voting, and where the votes are equal, the Chairman or the Commissioner presiding shall have a casting vote.

(7) The Commission may request the attendance of any person at any of its meetings, but such person shall not vote on any matter for decision by the Commission.

16. (1) Subject to subsection (3), where under this Act or any other written law, the Commission is empowered or required to perform any function, the Commission may, by resolution, appoint a committee of the Commission to submit recommendations with respect to the performance of that function, or for the purpose of doing anything required or deemed expedient or necessary for the purpose of performing such function. Committees.

(2) The Commission may co-opt such persons as are required to assist in the performance of the functions of a committee appointed under subsection (1).

(3) Without prejudice to the generality of subsection (1) and subject to subsection (4), where any power or function which requires an investigation, hearing, adjudication or decision which might lead to the taking of any disciplinary measure against any person or the imposition of any penalty or order for the payment of any money by or to any person, is by this Act assigned to the Commission, such investigation or hearing may be conducted by a committee appointed under this section and shall be fully, duly and validly conducted as if conducted by the entire Commission.

(4) The Commission may by resolution, adopt the recommendations of a committee appointed under subsection (1).

17. (1) Minutes, in proper form, of each meeting of the Commission, or a committee thereof, shall be kept under the direction of the Secretary. Minutes.

(2) All decisions, resolutions, orders, or rules made, and Bye-laws recommended by the Commission or a committee thereof, as the case may be, shall be recorded in the minutes.

(3) The minutes shall be confirmed at the next meeting of the Commission, or the committee, as the case may be, and a copy of the minutes when prepared and confirmed shall, in the case of a committee, be forwarded to the Commission.

(4) The Minister is entitled, upon request, to have access to the minutes of the Commission or a committee thereof, and to receive from the Commission a copy of any of those minutes.

Declaration of
interest.
[9 of 2014].

18. (1) A Commissioner or any other person attending a meeting of the Commission who is in any way, whether directly or indirectly, interested in a matter before the Commission shall declare his interest to the Commission and absent himself during the deliberations concerning his interest.

(2) The Commission shall, in the absence of the Commissioner or other person whose interest is being considered, determine whether the interest declared in subsection (1) is sufficiently material so as to constitute a conflict of interest.

(3) In the event that the Commission finds that the interest of a Commissioner or any other person in a matter is such as to constitute a conflict of interest, the Commissioner or the other person shall not take part in any deliberations or vote on that matter, and shall absent himself during such deliberations.

(3A) Where a conflict of interest is discovered after a matter has been determined, the Commissioner or other person shall declare the conflict of interest to the Commission at the earliest opportunity.

(3B) Where the Commission determines that the involvement of the Commissioner or other person influenced the deliberations or vote on the matter referred to in subsection (3A)—

- (a) the matter shall be re-examined; and
- (b) the decision in which the Commissioner or other person participated may be rescinded, varied or confirmed.

(4) For the purposes of this section, a Commissioner or any other person attending a meeting of the Commission shall be deemed to have an interest in a matter if he, or his nominee, is a security holder or partner in, or a senior officer of an entity that is directly or indirectly involved in that matter before the Commission.

(5) Any person who fails to comply with subsection (1) is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for two years, unless he proves that he did not know that he had an interest in the matter which was the subject of consideration at the meeting.

19. (1) The Commission may consult, co-operate with and provide information to the Central Bank of Trinidad and Tobago, the Financial Intelligence Unit, any other regulatory agency in Trinidad and Tobago or any other entity in Trinidad and Tobago in order to minimise duplication of effort and to maximise the protection of investors.

Co-operation
with Central
Bank and other
agencies.

(2) The Commission may co-operate with, provide information to and receive information from any of the following entities, whether in Trinidad and Tobago or elsewhere:

- (a) other securities or financial regulatory authorities, exchanges, clearing agencies, self-regulatory bodies or organisations, law enforcement agencies and other government agencies or regulatory authorities; and
- (b) any person, other than an employee of the Commission, who acts on behalf of, or provides services to the Commission.

(3) The Commission may enter into a memorandum of understanding with the Stock Exchange or any other agency referred to in subsection (1) in furtherance of the purposes of this Act or any matter under this Act.

(4) The Commission may enter into a memorandum of understanding with any agency of a foreign government, foreign securities regulator, other regulatory body which regulates the financial services industry or any international association of securities regulators in furtherance of the purposes of this Act or any matter under this Act.

(5) The Commission may co-operate and participate in the work of national, regional or international organisations dealing with the regulation of the securities industry.

(6) Any information provided and received by the Commission pursuant to this section shall be confidential and shall not be disclosed except in accordance with section 14.

(7) Where the Commission takes any enforcement action against an entity, senior officer or an employee of an entity

regulated by the Central Bank of Trinidad and Tobago for failing to comply with this Act, the Commission shall notify the Inspector of the enforcement action so taken.

Annual Report.
[9 of 2014].

20. (1) The Commission shall within four months of the end of its financial year send an annual report of its activities which shall include its annual audited financial statements to the Minister who shall cause it to be laid in Parliament within three months of receipt of the report.

(2) Copies of the annual report under subsection (1) shall be available to the public within fourteen days after it has been laid in Parliament.

Regulation of
business.

21. The Commission may, with the approval of the Minister, make Rules—

- (a) respecting the calling of and conduct of business at meetings of the Commission;
- (b) prescribing the procedure for appeals of decisions of self-regulatory organisations and reviews of decisions of a delegatee;
- (c) establishing a code of conduct governing the activities of Commissioners and the officers and employees of the Commission in order to avoid conflicts of interest and other practices that the Commission considers undesirable;
- (d) respecting any other matter, whether or not required by this Act, relating to the organisation, procedure, administration or practice of the Commission; and
- (e) respecting procedures for the initiation and holding of hearings by the Commission.

DIVISION 4—STAFF

Appointment of
chief executive
officer.

22. (1) The Commission may, with the approval of the Minister, appoint its chief executive officer who shall not be a Commissioner.

(2) The Minister shall approve the terms and conditions of appointment of the chief executive officer.

(3) The chief executive officer shall perform such functions as may be conferred on him by the Commission.

(3A) The chief executive officer is subject to the direction of the Commission and is responsible to the Commission for the execution of its policy and management of its affairs.

(4) A person who is appointed chief executive officer under this Act shall, forthwith after the appointment, declare every interest he has in any security and thereafter he shall not, while holding office as chief executive officer—

- (a) participate, directly or indirectly, in any securities market operation transaction in which he has a material interest and which is subject to regulation by the Commission pursuant to this Act; or
- (b) engage in any other business, vocation or employment other than that of serving as chief executive officer.

23. (1) The Commission may appoint, hire or retain, on such terms and conditions as it may determine, an expert to assist it in any manner that it considers necessary.

Appointment of experts.

(2) Where the Commission appoints an expert to advise it on the development of specific policies, Bye-laws or other regulatory proposals of the Commission or a self-regulatory organisation, the expert shall formulate and report his views to the Commission in writing and the Commission may, if it thinks fit, make it available to the public.

24. The Commission shall appoint a Secretary and such other officers and employees as it considers necessary or appropriate for the efficient performance of its functions.

Appointment of other staff.

25. (1) An officer in the public service or in the service of a statutory authority may, with the approval of the appropriate service commission and the Commission, consent to be transferred to the service of the Commission.

Transfer of officers to the public service and vice versa.

(2) The officer shall, upon transfer, have preserved his superannuation or pension rights accruing at the time of the transfer.

Transfer on
secondment.

26. (1) An officer or employee in the public service, a statutory authority, any domestic or foreign public or private body, or of the Commission may, with the consent of the Commission and with the approval of the appropriate service commission or the relevant body, consent to be transferred on secondment to the service of the Commission, or from the service of the Commission to the public service or a statutory authority or other body, as the case may be.

(2) Where a transfer on secondment is effected, such arrangements as may be necessary, shall be made to preserve the rights of the officer or employee transferred to any pension, gratuity or other allowance for which he would have been eligible had he not been transferred.

DIVISION 5—FINANCIAL PROVISIONS

Funds and
resources of the
Commission.

27. The funds and resources of the Commission shall consist of—

- (a) such sums as may be appropriated by Parliament;
- (b) all fees and other sums from time to time paid, or otherwise payable, to the Commission under this Act; and
- (c) all other sums or property that may in any manner become payable in any matter related to its functions and powers.

Financial
powers.

28. For the purpose of carrying out its powers or functions, the Commission may, with the prior approval in writing of the Minister, waive or suspend any prescribed fees.

Applications of
funds.

29. The funds of the Commission shall be applied in defraying the following expenditure:

- (a) the remuneration, fees and allowances of the members of the Commission;
- (b) the salaries, fees, allowances, advances, loans, gratuities, pensions and other payments to the officers and employees of the Commission;

- (c) the capital and operating expenses, including maintenance and insurance of any property of the Commission; and
- (d) any other expenditure authorised by the Commission in the discharge of its functions and contractual obligations.

30. (1) All monies of the Commission received under this Act shall be paid into a bank appointed by the Commission. Cash deposits and payments.

(2) All payments made out of the funds of the Commission shall be made by any person appointed to do so by the Rules made under section 21.

31. (1) The Commission shall keep proper books of accounts of— Accounts and audit.

- (a) all monies received and expended by the Commission and shall record the matters in respect of which such monies have been received and expended; and
- (b) the assets and liabilities of the Commission.

(2) Where assets are held upon any special trust, the receipts and expenditure relating to such trust shall be kept in an account separate and apart from all other receipts and expenditure.

(3) All accounts shall be kept in the principal office of the Commission for a period of six years after the last entry therein, and shall be open to inspection by Commissioners and by the auditors of the Commission.

(4) Within four months after the end of each financial year, the Commission shall cause to be prepared in respect of that year, financial statements which include—

- (a) an account of the revenue and expenditure of the Commission;
- (b) a balance sheet;
- (c) a report setting out the activities of the Commission; and
- (d) such other accounts as the Commission may require.

(5) Accounts prepared in accordance with this section shall—

- (a) be audited by an auditor who is a member of, and is in good standing with the ICATT and who is appointed by the Commission with the approval of the Minister; and
- (b) be signed by the Chairman and not less than two other Commissioners.

(6) The Secretary shall cause copies of the signed accounts to be sent to every member of the Commission, the auditor and the Minister.

(7) The Minister may at any time request the Commission to provide him with information concerning any aspect of its administration of this Act and the Commission shall provide the information requested within fourteen days.

(8) The Commission shall have an audit committee composed of not less than three Commissioners which shall not include temporary or *ad hoc* Commissioners.

(9) The audit committee shall review the annual financial statements required under subsection (4) before such financial statements are approved by the Commission.

(10) The auditor of the Commission is entitled to receive notice of every meeting of the audit committee and, if so requested by the chairman of the audit committee, shall at the expense of the Commission, attend and be heard at such meeting of the committee.

DIVISION 6—FILING OF DOCUMENTS

32. All documents or instruments required to be filed with the Commission shall be filed in the prescribed manner.

33. (1) Subject to subsection (2), the Commission shall make all documents or instruments which are expressly required to be filed with it under this Act available for public inspection during the normal business hours of the Commission, subject to such conditions as the Commission may require.

Filing of documents with Commission.

Public availability of filed documents. [9 of 2014].

(2) The Commission shall not make any information in a document or instrument available for public inspection under subsection (1) if—

- (a) the Commission determines that the disclosure of the information would not be in the public interest;
- (b) the Court so directs; or
- (c) the Commission determines that—
 - (i) a person whose information appears in the document or instrument would be unduly prejudiced by disclosure of the information; and
 - (ii) the privacy interest on the person outweighs the public interest in having the information disclosed.

(3) Subject to subsections (1) and (2), the Commission may also make all documents or instruments which are expressly required to be filed with it available to the public by posting such documents or such instruments to the Commission's website.

PART III

THE TRINIDAD AND TOBAGO STOCK EXCHANGE AND OTHER SELF-REGULATORY ORGANISATIONS

DIVISION 1—THE STOCK EXCHANGE AND THE CENTRAL DEPOSITORY

34. (1) The Stock Exchange is deemed to be duly registered under this Act as a self-regulatory organisation.

Registration of
Stock Exchange
and Central
Depository.

(2) The Central Depository is deemed to be duly registered under this Act as a self-regulatory organisation.

35. (1) The Rules, Regulations and listing requirements of the Stock Exchange (hereinafter referred to as “the existing Rules”) approved or deemed approved by the Commission under the former Act shall be deemed to be approved by the Commission under this Act.

Rules of the
Stock Exchange
and Central
Depository.

(2) Within two years after the commencement of this Act, the Stock Exchange shall review and, where necessary, amend the existing Rules to ensure conformity with this Act.

(3) The Stock Exchange shall not change or amend the existing Rules except in accordance with this Act.

(4) The Rules, Regulations and listing requirements of the Central Depository (hereinafter referred to as “the existing Rules”) approved or deemed approved by the Commission under the former Act shall be deemed to be approved by the Commission under this Act.

(5) Within two years after the coming into force of this Act, the Central Depository shall review and, where necessary, amend the existing Rules to ensure conformity with this Act.

(6) The Central Depository shall not change or amend the existing Rules except in accordance with this Act.

DIVISION 2—SELF-REGULATORY ORGANISATIONS

Registration of a self-regulatory organisation. [9 of 2014].

36. (1) No person shall carry on business or activities as a self-regulatory organisation unless registered as a self-regulatory organisation under this Part.

(2) Application for registration pursuant to subsection (1) shall be made to the Commission in such form as the Commission may determine and shall be accompanied by such fees as may be prescribed.

(3) The registration of a person as a self-regulatory organisation shall be valid for a period of one year from the date of registration, and subject to this Act, the Commission may renew the registration of a person annually on the payment of the prescribed fee and upon compliance with such other conditions as the Commission may determine.

(4) A person who is registered under this Part shall report to the Commission such information as may be prescribed.

Registration requirements.

37. (1) A person shall not be registered as a self-regulatory organisation unless that person—

(a) proposes to—

(i) engage in the securities industry;

- (ii) conduct activities as a clearing agency or securities exchange; or
 - (iii) conduct any other activities as may be prescribed;
- (b) is a body corporate—
- (i) under the laws of Trinidad and Tobago; or
 - (ii) under the laws of any other jurisdiction and is registered in Trinidad and Tobago;
- (c) has a body of rules for the governance of its members that comply with the requirements of this Part; and
- (d) is fit and proper for registration as a self-regulatory organisation.

(2) An association of market actors may apply to the Commission for registration as a self-regulatory organisation provided it satisfies the requirements of paragraphs (b) to (d) of subsection (1).

(3) In considering whether an applicant for registration as a self-regulatory organisation under this Part is fit and proper for registration, the Commission shall consider the financial condition, proficiency, integrity, and competency of such applicant and any additional requirements as may be prescribed.

38. (1) Subject to subsections (3), (4) and (6), the Commission shall grant an application for registration as a self-regulatory organisation.

Application for registration.

(2) Forthwith after receipt of an application for registration as a self-regulatory organisation under this Part, the Commission shall publish in two daily newspapers of general circulation in Trinidad and Tobago, a notice inviting any interested person to submit written comments on the application.

(3) Subject to subsection (5), the Commission shall refuse an application for registration where—

- (a) the applicant is not organised in a manner or does not have the capacity and resources that

enable it to comply with this Act and to enforce compliance by its members and their employees with its rules of governance;

- (b) the applicant does not meet the requirements set out in section 37(1);
- (c) the rules of governance of the applicant do not comply with this Act; or
- (d) the Commission determines that it would not be in the public interest to grant registration as a self-regulatory organisation to the applicant.

(4) The Commission may refuse an application for registration if the applicant or a senior officer of the applicant would be refused registration as a registrant.

(5) In considering whether to grant an application for registration, the Commission shall, in particular, take into account the rules of governance of the applicant that relate to—

- (a) prices, fees or rates charged by members of the applicant for services;
- (b) conditions of entry into the securities industry through membership in the applicant or otherwise;
- (c) the structure or form of a member or participant;
- (d) the quantity or quality of services furnished by a member or participant; and
- (e) any type of restraint on competition.

(6) Where the Commission grants an application for registration as a self-regulatory organisation, it shall, where necessary, require a change in the rules of governance of the applicant to ensure its fair administration or to make the proposed rules of governance conform to the requirements of, or otherwise further the purposes of, this Act.

(7) On application by a registered self-regulatory organisation, the Commission may accept, subject to such terms and conditions as it may impose, the voluntary surrender of registration of a self-regulatory organisation, if the Commission is satisfied that the voluntary surrender of registration of the self-regulatory organisation would not be prejudicial to the public interest.

39. (1) The rules of governance of an applicant for registration as a self-regulatory organisation shall contain provisions—

Obligatory
rules of
governance.

- (a) for the protection of investors and the public interest;
- (b) for fostering co-operation and co-ordination among persons who clear, settle, regulate, process information about, and facilitate trades in securities;
- (c) ensuring representation of its members on the board of the applicant;
- (d) for the imposition of reasonable fees and charges for the use of its facilities and services;
- (e) relating to the disciplining of a member or employee of a member who is in breach of its rules of governance or this Act and without prejudice to the generality of the foregoing, may provide for censure, fine, suspension, expulsion, limitation of activities, functions or operations, suspension of, or exclusion from employment;
- (f) specifying the procedure required to implement section 43 for disciplinary proceedings, refusal of membership, prohibition from employment, or prohibition or limitation of access to services furnished by it or its members; and
- (g) for such other matters as may be prescribed.

(2) Without prejudice to subsection (1), the rules of governance of an applicant for registration as a securities exchange shall also contain provisions designed to—

- (a) prevent deceptive, fraudulent and manipulative acts and practices;
- (b) promote fair trading practices and to facilitate an efficient market; and
- (c) ensure that a broker-dealer may become a member of the securities exchange.

(3) Without prejudice to subsection (1), the rules of governance of an applicant for registration as a clearing agency shall also contain provisions designed to—

- (a) develop and operate a prompt and accurate clearance and settlement system;
- (b) safeguard money and securities in its custody or under its control or for which it is responsible; and
- (c) provide, subject to section 43, that a broker-dealer, a financial institution, another clearing agency or a person or class of persons designated by the Commission may become a participant in the clearing agency.

(4) The rules of governance of an applicant for registration as a self-regulatory organisation shall not—

- (a) permit unfair discrimination among persons who use its facilities; or
- (b) restrain competition to an extent not necessary to achieve the objectives specified in subsections (1) to (3).

Procedure on proposed amendment to rules of governance.

40. (1) A self-regulatory organisation may only amend its rules of governance in accordance with this section.

(2) Where a self-regulatory organisation proposes to amend its rules, it shall file with the Commission a copy of the proposed amendment and a concise statement of its substance and purpose.

(3) Forthwith after receipt of a proposed amendment under subsection (2) the Commission shall publish in two daily newspapers of general circulation in Trinidad and Tobago a notice inviting any interested person to submit written comments on the amendment and the reasonable cost of the publication shall be borne by the self-regulatory organisation.

(4) Subject to subsection (5), the Commission may make an order approving a proposed amendment to the rules of governance of a self-regulatory organisation.

(5) The Commission may make an order refusing a proposed amendment to the rules of governance of a self-regulatory organisation if—

- (a) the organisation is not organised in a manner and would not have the capacity and resources to enforce compliance with its rules of governance as amended;
- (b) the amended rules of governance would not comply with this Act;
- (c) the amended rules of governance would be inconsistent or conflict with this Act; or
- (d) the Commission determines that the proposed amendment would not be in the public interest.

(6) Where the Commission determines that a proposed amendment filed pursuant to subsection (1)—

- (a) makes no material substantive change in an existing rule; or
- (b) relates exclusively to the administration of the self-regulatory organisation,

it may approve the amendment without a hearing.

41. (1) The Commission may make an order requiring a change in the rules of governance of a self-regulatory organisation to ensure its fair administration or to make the rules of governance conform to the requirements of, or otherwise further the purposes of this Act.

Power of Commission to require change in rules of governance.

(2) Where the Commission proposes to make an order pursuant to subsection (1), it shall publish and send to the self-regulatory organisation a notice that complies with section 157(1) prior to making the order.

42. (1) A self-regulatory organisation shall not require its members to comply with a schedule of commissions or other fees for their services or limit in any way the income of a member.

Restriction on imposition of fees schedule.

(2) Nothing in this section shall prevent a self-regulatory organisation from issuing, from time to time, a notice to its members indicating what, in its opinion, is the market price, fee or rate charged for any particular service.

Membership.
[9 of 2014].

43. (1) Subject to subsections (2) and (3) and section 51(6), a self-regulatory organisation shall grant an application for membership or for approval as an employee of a member.

(2) A self-regulatory organisation may refuse membership or impose conditions on membership or prohibit or limit access to services furnished by it or its members to a person who—

- (a) lacks the financial resources or operational capability required by its rules;
- (b) does not meet the criteria for membership specified in its rules; or
- (c) does not carry on the type of business that its rules of governance require a member to carry on.

(3) A self-regulatory organisation shall not refuse membership or impose conditions on membership to a person who carries on the type of business required by its rules of governance on the basis of—

- (a) the volume of the required business; or
- (b) any other business that the person carries on.

(4) A self-regulatory organisation may refuse membership to, impose conditions of membership on, prohibit or limit access to services furnished by it or its members, or prohibit employment by a member or impose conditions on such employment of, a person who—

- (a) lacks the training, experience or competence required by its rules; or
- (b) contravenes this Act, a rule of a self-regulatory organisation registered under this Act, or any other law in Trinidad and Tobago.

(5) A self-regulatory organisation shall, before refusing membership or imposing conditions on such membership or before approving employment by a member and before disciplining a member or an employee of a member, give any person directly affected by its decision, an opportunity to be heard.

(6) A self-regulatory organisation shall publish in two daily newspapers of general circulation in Trinidad and Tobago or by any other means a notice of any disciplinary action taken against a member or an employee of a member within thirty days of any decision to take such disciplinary action unless the Commission directs otherwise.

(7) Subject to subsection (8), a self-regulatory organisation may, without giving an opportunity to be heard as required by subsection (5)—

(a) suspend—

(i) a member who has been expelled or is under suspension from; or

(ii) an employee of a member who has been expelled or is under suspension from employment by the member of,

another self-regulatory organisation that is registered under this Act;

(b) suspend a member if the self-regulatory organisation reasonably believes it necessary for the protection of investors, creditors, members or the self-regulatory organisation because of financial or operational difficulties of the member;

(c) suspend a participant who is in default of delivery of money or securities to a registered clearing agency; and

(d) prohibit or limit access to services furnished by it or its members to a person—

(i) to whom paragraph (a), (b) or (c) applies;

(ii) who does not meet the criteria for access specified in its rules; or

- (iii) where such action is necessary for the protection of investors, creditors, members or the self-regulatory organisation.

(8) Where a self-regulatory organisation acts in accordance with subsection (7), the organisation shall provide an opportunity to be heard and make a determination within twenty business days of its order and the suspension, prohibition or limitation shall remain in effect until the determination is made.

Application for
review.
[9 of 2014].

44. (1) Where a self-regulatory organisation makes a decision under section 43(2), (3) or (4) refusing membership or imposing conditions on membership or prohibiting employment by a member or imposing conditions on the employment by a member, it shall at once file with the Commission a copy of the decision, the reasons therefor and any other information requested or prescribed.

(2) Subject to section 160, a person aggrieved by an order of a self-regulatory organisation made under section 43(2), (3) or (4) may apply to the Commission for a review of that decision within fourteen days of receipt of the decision.

(3) On a review of a decision of a self-regulatory organisation made under section 43(2), (3) or (4) the Commission shall affirm the decision if it finds that—

- (a) the decision is in accordance with the rules of governance of the self-regulatory organisation and this Act; and
- (b) the rules of governance of the self-regulatory organisation and this Act were applied in a manner that furthers the objectives specified in section 39 and the purposes of this Act.

(4) Where the Commission finds that the decision restrains competition to an extent not necessary to achieve the objectives specified in section 39(1), (2) or (3), it may set aside the decision or require the self-regulatory organisation to—

- (a) admit the person affected to membership;
- (b) permit the person to become an employee of a member;

- (c) grant the person access to services furnished by it or its members; or
- (d) take any other action or make any other order not inconsistent with the objectives specified in section 39.

(5) On a review of an order of a self-regulatory organisation disciplining a member or an employee of a member, the Commission may—

- (a) affirm or modify the sanction imposed if it finds that the person disciplined contravened the rules of governance of the self-regulatory organisation or this Act;
- (b) set aside the sanction imposed if it does not so find; or
- (c) remand the matter to the self-regulatory organisation for further proceedings.

(6) On a review referred to in subsection (5), the Commission may set aside or modify the sanction imposed if it finds that it restrains competition to an extent not necessary to achieve the objectives specified in section 39(1), (2) or (3).

(7) A decision made by the Commission under subsection (5) or (6) setting aside or modifying a sanction does not affect the validity of any action taken by the self-regulatory organisation as a result of the sanction before the decision was made, unless the action contravened this Act or the rules of governance of the self-regulatory organisation.

45. (1) No securities exchange shall delist a security admitted for quotation by it, unless it pays the prescribed fee and obtains an order from the Commission, authorising the delisting and imposing, for the protection of investors, such conditions as the Commission thinks fit.

Delisting of securities.
[9 of 2014].

(1A) Where a securities exchange proposes to delist a security, it shall file with the Commission a concise statement of the substance and purpose of the proposal.

(2) The Commission may refuse to authorise the delisting of a security where the delisting is in breach of—

- (a) the rules of governance of the securities exchange;
- (b) an agreement entered into by the issuer of the security with the securities exchange; or
- (c) the rights of investors.

Appointment of auditor.

46. (1) A self-regulatory organisation shall, subject to the approval of the Commission, appoint an auditor to audit its financial affairs.

(2) A self-regulatory organisation shall require each of its members to appoint an auditor who shall—

- (a) examine the financial affairs of the member in accordance with the rules of governance of the self-regulatory organisation; and
- (b) report the results of the examination to the self-regulatory organisation.

(3) An auditor appointed under subsection (1) or (2) shall be a member, in good standing, of ICATT.

(4) A self-regulatory organisation or a member of a self-regulatory organisation shall deliver to the Commission on request a copy of a report made under subsection (2).

Contingency fund of securities exchange.

47. (1) A self-regulatory organisation that is a securities exchange, shall establish and maintain a contingency fund in the prescribed manner.

(2) A self-regulatory organisation that is a clearing agency shall establish and maintain a settlement assurance fund, in the prescribed manner, to address the failure by any of its participants to deliver securities or monies required by the rules of governance of the clearing agency.

(3) A self-regulatory organisation shall file with the Commission the constituent documents of a fund required by this section and such other documents as may be prescribed.

(4) Where, after consultation with the self-regulatory organisation referred to in subsection (1) or (2)—

- (a) the Commission reasonably believes that a fund established under this section does not contain sufficient assets to meet claims which may be made against the fund or to meet its purpose; and
- (b) the self-regulatory organisation fails to contribute or cause its members to contribute to the fund established under this section an increased amount sufficient to maintain the assets of the fund at a level that the Commission believes to be reasonably necessary to pay claims against the fund,

then the Commission may make an order requiring the self-regulatory organisation to contribute to such fund such amount required to attain the level that the Commission believes to be reasonably necessary to pay the claims.

(5) A self-regulatory organisation shall at any time—

- (a) permit a person authorised by the Commission in writing, to inspect the records and assets of any fund referred to in this section;
- (b) produce and furnish to the person authorised by the Commission in writing, any document or record which he reasonably requests; and
- (c) answer any questions that the person authorised by the Commission in writing, may ask concerning those records or assets.

(6) A self-regulatory organisation shall appoint an auditor to audit the financial statements of a fund established under this section.

(7) A self-regulatory organisation that establishes a fund under this section shall, within one hundred and twenty days of the end of the financial year of the fund, file with the Commission the report of the auditors appointed under subsection (6) together with the financial statements of the fund in such form and containing such information as may be prescribed.

(8) Moneys held in a fund in accordance with this section shall not be made available for payment of the debts or expenses or other obligations of the self-regulatory organisation or its members.

Sanctions *re*:
self-regulatory
organisations.

- 48.** (1) Where a self-regulatory organisation—
- (a) contravenes its Rules or this Act;
 - (b) is unable to comply with its Rules or this Act;
 - (c) fails or is unable to enforce its rules of governance or a provision of this Act that it is required to administer or enforce, or fails to comply with an order of the Commission made under this Part;
 - (d) fails to observe the prescribed standards of solvency;
 - (e) no longer satisfies the requirements for registration as a self-regulatory organisation set out in section 37; or
 - (f) is, or any of its members are, guilty of negligence or fraud,

the Commission may make an order in accordance with subsection (2).

(2) Subject to subsection (1), the Commission may make one or more of the following orders to:

- (a) censure the self-regulatory organisation;
- (b) limit the activities, functions or operations of the self-regulatory organisation;
- (c) suspend or revoke the registration of the self-regulatory organisation; or
- (d) impose an administrative fine pursuant to section 156.

(3) In addition to any penalties under this Act, where a senior officer or employee of a self-regulatory organisation contravenes the rules of governance of the self-regulatory organisation or this Act, the Commission may make an order censuring him or suspending or removing him from office or employment with the self-regulatory organisation.

49. (1) Subject to subsection (4), any person who is aggrieved by any act or omission of a self-regulatory organisation, the board or a member of a self-regulatory organisation, or any other person required to be registered pursuant to this Act, may lodge a written complaint in respect thereof with the Commission.

Complaints *re*: self-regulatory organisations and person required to be registered. [9 of 2014].

(2) The Commission may investigate and adjudicate upon the complaint lodged pursuant to subsection (1).

(3) Section 150 shall have effect in relation to any investigation and adjudication conducted by the Commission pursuant to subsection (2).

(4) The Commission may, following receipt of a complaint made under subsection (1), make such order as it thinks just, including an order for the payment by the self-regulatory organisation, the member of the self-regulatory organisation or the person required to be registered pursuant to this Act, as the case may be, of any sum by way of restitution or as compensation for any loss suffered by the complainant.

50. (1) Where a dispute arises between members of a self-regulatory organisation, such dispute shall be referred to the board of the self-regulatory organisation, and the board shall investigate the dispute, and shall make such order for the resolution of the dispute as it thinks fit.

Dispute between members. [9 of 2014].

(2) It shall be the duty of the self-regulatory organisation to notify the Commission forthwith in writing of the existence of a dispute between its members.

(3) Where a member of a self-regulatory organisation is aggrieved by the decision of the board under subsection (1), the member may, within fourteen days of the receipt of such decision, appeal in writing to the Commission and send a copy to all parties to the appeal.

(4) Where an appeal is submitted under subsection (3) the self-regulatory organisation shall forward to the Commission the reasons for its decision within seven days of its receipt of the notice of appeal.

(5) The Commission may, on reviewing an appeal under this section, make any order it thinks just, including an order for the payment by any party to the dispute of any sum of money, including a sum to cover costs, as the justice of the case may in the opinion of the Commission require.

PART IV

REGISTRATION OF REGISTRANTS

Registration
requirement.
[9 of 2014].

51. (1) Subject to this Act, 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.

(2) Subject to section 53(2), an individual who is a senior officer, agent or employee of a person required to be registered under subsection (1) and who engages in any act, action or course of conduct in connection with, or incidental to, the class of business activities for which a person registered under subsection (1) is engaged, shall register as a registered representative in the prescribed category, subject to such terms and conditions as the Commission may determine.

(3) An individual who is not registered under subsection (2) shall not perform any of the functions or engage in any act, action or course of conduct in connection with, or incidental to, the business activities of the person who is required to be registered under subsection (1) in order to carry on its business activities.

- (4) Subsections (2) and (3) do not apply to—
- (a) an employee performing functions which are solely administrative in nature, including without limitation, technology support, facilities support, human resources management and clerical support; and
 - (b) any other person as may be prescribed.

(5) Notwithstanding subsections (1) and (2), a sponsored broker-dealer or sponsored investment adviser may 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 broker-dealer or investment adviser for a period not exceeding an aggregate of ninety days in any one calendar year, where such sponsored broker-dealer or sponsored investment adviser is registered in the manner prescribed.

(6) Subject to section 56, the registration of a person under subsection (1) shall be valid for a period of one year from the date of registration or such other period as the Commission may determine.

(7) Subject to section 56, the registration of a person under subsection (2) shall be valid for a period of two years from the date of registration or such other period as the Commission may determine.

52. (1) Subject to subsections (2) and (3) where an applicant for registration under section 51 or for renewal or reinstatement of such registration—

Registration by
the
Commission.
[9 of 2014].

- (a) is considered by the Commission to be fit and proper for registration, renewal or reinstatement in the category applied for;
- (b) complies with the prescribed requirements; and
- (c) pays the prescribed fee,

the Commission shall register, renew or reinstate the registration of the applicant and issue to such applicant a certificate of registration in such form as the Commission may determine.

(2) The Commission may refuse to register, renew or reinstate the registration of an applicant where such registration, renewal or reinstatement is not in the public interest.

(3) The Commission may in its discretion restrict a registration by—

- (a) imposing such terms and conditions as it thinks necessary;
- (b) limiting the duration of a registration; and
- (c) limiting the trading to certain securities or a certain class of securities.

(4) The Commission may require—

- (a) a registrant under section 51(1) to establish and maintain a compliance committee, which shall be responsible for ensuring that the registrant complies with this Act; and
- (b) a registrant under section 51, other than a person required to be registered under section 51(2), to effect policies of insurance on terms as may be ordered by the Commission for the purpose of indemnifying such registrant against any liability that may be incurred as a result of any act or omission of the registrant or any of its officers or employees.

(5) Where the registration of a registrant under this Part is subject to terms and conditions, the registrant shall comply with such terms and conditions.

(6) In considering whether a person is fit and proper for registration under this Part, the Commission shall consider—

- (a) the financial condition and solvency of the person;
- (b) the educational and other qualifications and experience of the person;
- (c) the ability of the person to perform his proposed business efficiently, honestly and fairly;
- (d) the ability of the person to comply with the requirements of this Act applicable to the category of registration for which he is applying;

- (e) the character, financial integrity and reliability of the person;
- (f) the fit and proper status of its senior officers; and
- (g) additional requirements as may be prescribed,

and for the purpose of this subsection, the Commission may have regard to any information in its knowledge or possession whether furnished by the applicant or not.

(7) The Commission shall not refuse to register, renew or reinstate the registration of an applicant without giving the applicant an opportunity to be heard and where the Commission refuses to register, renew or reinstate the registration of an applicant, it shall notify the applicant in writing of the reasons for so doing.

(8) The Commission shall, by the 30th day of April of each year, publish by class of registration a list of all registrants and self-regulatory organisations as of the 31st day of March in that year in the *Gazette* and two daily newspapers of general circulation in Trinidad and Tobago.

(9) The Commission shall maintain a register of all registrants and self-regulatory organisations with the Commission under this Part.

53. (1) For the period of two years from the coming into force of this Act, a person registered or deemed registered under the former Act as—

Transitional provisions.
[9 of 2014].

- (a) a broker, excluding a broker in the employ of a securities company under the former Act, is deemed to be duly registered under this Act as a broker-dealer;
- (b) a dealer, is deemed to be duly registered under this Act as a broker-dealer;
- (c) a securities company, is deemed to be duly registered under this Act as a broker-dealer;
- (d) an underwriter, is deemed to be duly registered under this Act as an underwriter;

- (e) an investment adviser, is deemed to be duly registered under this Act as an investment adviser;
- (f) a broker in the employ of a securities company under the former Act is deemed under section 51(2) as a registered representative of a registrant registered under section 51(1) of this Act; and
- (g) a trader, is deemed to be duly registered under section 51(2) as a registered representative of a registrant registered under section 51(1) of this Act.

(2) A person who is deemed to be registered under subsection (1) shall comply with the registration requirements of section 51(1) or (2) as the case may be, within two years from the date of the coming into force of this Act and shall, until the earlier of the expiry of such two-year period and the date such person obtains registration under section 51(1) or (2) as the case may be, be permitted to continue performing the functions that such person was authorised to perform under the former Act.

Requirements for substantial shareholders of registrants. [9 of 2014].

54. (1) Subject to subsections (2) and (3) a person shall not become a substantial shareholder without first being approved by the Commission as being fit and proper.

(2) Where a person becomes a substantial shareholder under a will, by intestacy or in any other manner, such a person shall apply to the Commission for approval within one month of this fact coming to his knowledge.

(3) A financial institution or a registrant under section 51(1)—

- (a) is deemed approved by the Commission for the purposes of subsection (1); and
- (b) shall notify the Commission in writing within one month upon its becoming a substantial shareholder.

(4) The Commission may, upon application in the prescribed manner and payment of the prescribed fee, approve a person to become a substantial shareholder.

(5) The Commission shall refuse to approve an applicant to become or continue to be a substantial shareholder of a registrant registered under section 51(1) if—

- (a) the applicant is not fit and proper at the time of the application; or
- (b) the applicant does not remain fit and proper after the approval of its application.

(6) Where a substantial shareholder is no longer fit and proper or where a person under subsection (2) is not granted approval to be a substantial shareholder, such person shall—

- (a) be notified in writing by the Commission of this fact; and
- (b) not exercise voting rights in relation to ten per cent or more of the outstanding securities of the registrant under section 51(1).

(6A) Where the Commission notifies a person that he is no longer fit and proper or where a person under subsection (2) is not granted approval to be a substantial shareholder the person may within the period of fourteen days commencing the day after which the notice is given, make written representations to the Commission.

(6B) Where the Commission notifies a person that he is no longer fit and proper or where a person under subsection (2) is not granted approval to be a substantial shareholder, the shares held by that person in the registrant registered under section 51(1) shall be subject to disposal in accordance with subsection (6C) without prejudice to any other penalty which may be incurred by any party pursuant to this Act.

(6C) Where the circumstances so warrant, the Commission may apply to the Court for the disposal of the shares held by a person in a registrant registered under section 51(1), and to whom a notice is sent in accordance with subsection (6).

(6D) Where shares referred to in subsection (6C) are sold in accordance with an order of the Court, the proceeds of sale, less the costs of the sale, shall be paid into Court or into such fund as the Court may specify for the benefit of the persons beneficially interested in the disposed shares, and any such person may apply to the Court for the whole or part of the proceeds to be paid to him in satisfaction of his beneficial interest.

(6E) A person who contravenes this section commits an offence and is liable on summary conviction to a fine of six hundred thousand dollars or to imprisonment for two years and in the case of a continuing offence, to a fine of sixty thousand dollars for each day that the offence continues.

(7) In this section, “substantial shareholder” means any person who directly or indirectly, whether alone or with another person, beneficially owns, or has control or direction over, or proposes to own or acquire control or direction over ten per cent or more of the outstanding voting securities of the registrant under section 51(1).

(8) A substantial shareholder of a registrant under section 51(1) on the coming into force of this Act is deemed approved by the Commission for the purposes of subsection (1).

(9) A substantial shareholder shall within one month of any change in its ownership of the issued capital of the registrant under section 51(1) notify the Commission in writing of the change, if the change is five per cent or more of the total issued capital of the registrant.

55. (1) The registration of a registered representative is suspended on the date that the registration of the registrant under section 51(1) that sponsored his registration is suspended until such time that an application for reinstatement of the employer’s registration in such form as the Commission may determine has been approved by the Commission.

Termination
and suspension
of registered
representative
status.
[9 of 2014].

(2) The registration of a registered representative is terminated on the date that—

- (a) the registered representative ceases to act on behalf of the registrant under section 51(1) that sponsored his registration; or
- (b) the registration of the registrant under section 51(1) that sponsored his registration is terminated.

(3) A registered representative shall not carry on securities business for any person unless such representative is employed by a registrant under section 51(1) whose registration status is active.

56. (1) An application for registration, renewal or reinstatement of registration under this Part shall be made in writing in such form as the Commission may determine and shall be accompanied by the prescribed fee and such other prescribed documents or information requested by the Commission.

Application for registration and continuing disclosure. [9 of 2014].

(2) If at any time between the date of the filing of an application and the date that a notice of registration, renewal or reinstatement of registration is received by the applicant, the applicant becomes aware of a material change in the information contained in the application, the applicant shall forthwith inform the Commission in writing of such material change.

(3) The Commission may require any further information or material to be submitted by an applicant within a specified time and may require verification by affidavit of any information or material fact then or previously submitted.

(4) Subject to the Bye-laws, an applicant under this Part or a registrant shall provide the Commission notice in writing of the occurrence of any prescribed event within the prescribed period.

(5) Upon receipt of a notice under subsection (4), the Commission may take any action that it deems appropriate.

(6) 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.

Issue of
warning,
[9 of 2014].

57. (1) The Commission may issue a warning to a registrant registered under section 51(1), (2) or (5) if—

- (a) such registrant ceases to carry on the business of a registrant;
- (b) such registrant had obtained registration under this Act or the former Act by knowingly or recklessly concealing or misrepresenting any fact which is, in the opinion of the Commission, material to the application for registration or to the suitability of the registrant to be registered;
- (c) the registration of such registrant under this Act or the former Act has been made by mistake, however such mistake arose;
- (d) such registrant has defaulted in the payment of any monies due to a self-regulatory organisation or to the Commission;
- (e) in the case of a registrant that is not an individual, a levy of execution in respect of such person has not been satisfied;
- (f) in the case of a registrant that is not an individual, such registrant fails to maintain the prescribed level of capitalisation;
- (g) such registrant is charged or convicted of an offence involving fraud or dishonesty whether in Trinidad and Tobago or elsewhere;
- (h) such registrant contravenes, or fails to comply with, any term, condition or restriction applicable in respect of his registration, or with a provision of this Act;

- (i) in the case of a registrant that is not an individual, such registrant fails adequately to supervise or to conduct the activities of any other person acting for, or on behalf of, such registrant;
- (j) such registrant is prosecuted for breach of this Act, the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law which may be administered or supervised by the Commission which may be in force from time to time; Ch. 11:27.
- (k) such registrant ceases to meet a registration requirement, or a term or condition of registration, applicable to such person; or
- (l) such registrant is guilty of misconduct or is no longer fit and proper for registration.

(1A) The Commission may, where it considers it to be in the public interest, issue an order to reprimand or suspend the registration of a registrant under section 51(1), (2) or (5) for any reason set out in subsection (1).

(2) In considering at any time whether a registrant registered under section 51(1), (2) or (5) is no longer fit and proper for registration under section 57(1)(l), the Commission shall consider the financial condition, proficiency, integrity, and competency of the registrant, senior officers where applicable, and any additional requirements as may be prescribed.

- (3) In this section, “misconduct” means—
- (a) a contravention of any provision of this Act;
 - (b) a contravention of the terms and conditions of any registration or licence; or
 - (c) any act or omission relating to carrying on the business requiring registration which in the opinion of the Commission, is or is likely to be prejudicial to the interest of the investing public or to the public interest.

(4) Subject to subsection (5), the Commission shall not suspend the registration of a registrant under this section without giving the registrant an opportunity to be heard.

(5) Notwithstanding subsection (4), the Commission may suspend the registration of a registrant for a period of thirty days where it considers that immediate suspension is in the public interest or that any delay may be prejudicial to the public interest.

(6) Where the registration of a registrant is suspended under subsection (1)(g) or (j), the Commission may suspend the registration from the date of the institution of such prosecution or at any time thereafter, but such suspension shall automatically cease upon the dismissal of the charge or the withdrawal thereof or, if there is more than one charge, upon the dismissal or withdrawal of all the charges.

(7) The Commission may, where it considers it to be in the public interest, rescind any suspension it has made of the registration of a registrant under this section, whether on its own determination or on application by a registrant.

(8) Where the Commission has suspended the registration of any registrant registered under section 51(1), (2) or (5), or the registration otherwise expires, that registrant shall forthwith cease activities in the area of activity for which he was registered, and any licence issued by a self-regulatory organisation or membership in any such self-regulatory organisation shall forthwith be suspended.

(9) Where a suspension of the registration of any registrant under section 51(1), (2) or (5) is rescinded by the Commission for any reason, the registration of such registrant and any licence issued by a self-regulatory organisation or membership in any such self-regulatory organisation held by the registrant, shall be reinstated subject to such terms and conditions as the Commission may require.

Revocation of
registration.
[9 of 2014].

58. (1) The Commission may, where it considers it to be in the public interest, issue an order to revoke the registration of a registrant registered under section 51(1), (2) or (5) for any reason set out in section 57 other than section 57(1)(g), (j) or (k).

(2) Where the Commission has suspended the registration of a registrant for a reason set out in section 57(1)(g), (j) or (k), the Commission may revoke the registration of such registrant if the registrant—

(a) has been convicted by a Court for an offence involving fraud or dishonesty, whether in Trinidad and Tobago or elsewhere;

(b) has been convicted by a Court for a contravention of the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law which may be administered or supervised by the Commission which may be in force from time to time; or

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(c) has breached this Act.

(3) The Commission shall not revoke the registration of a registrant under this section without giving the registrant an opportunity to be heard.

(4) The Commission shall not revoke the registration of a registrant unless it is satisfied that the financial obligations of the registrant to the clients of such registrant have been discharged to the extent possible.

(5) Where the Commission has revoked the registration of any registrant, that registrant shall forthwith cease activities in the area of activity for which such registrant was registered, and any licence issued by a self-regulatory organisation or membership in any such self-regulatory organisation shall forthwith become invalid.

59. On application by a registrant registered under section 51(1), (2) or (5), the Commission may accept, subject to such terms and conditions as it may impose, the voluntary surrender of the registration of the registrant if the Commission is satisfied that the financial obligations of the registrant to the clients of such registrant have been discharged and the surrender of the registration would not be prejudicial to the public interest.

Surrender of registration.

Offence.
[9 of 2014].

60. (1) A person who knowingly or recklessly makes a misrepresentation in any application, notification, or other document required to be filed, delivered or notified to the Commission under this Part commits an offence and is liable on summary conviction to a fine of one million dollars and to imprisonment for three years.

(2) A person who contravenes section 51(1) commits an offence and is liable on summary conviction to a fine of five million dollars and to imprisonment for five years.

Registration of
reporting
issuers.
[9 of 2014].

61. (1) A person, who is not a reporting issuer, and who proposes to make a distribution shall first apply to the Commission to be registered as a reporting issuer by filing a registration statement in such form as the Commission may determine and paying the prescribed fee.

(2) A reporting issuer shall update its registration statement annually and shall for that purpose file a revised registration statement in such form as the Commission may determine within fourteen days of the end of its financial year and pay the prescribed fee.

(3) This section shall not apply to any issuer which is a government entity, international agency or such other person as may be prescribed.

(4) Subsection (1) shall not apply where the distribution is—

(a) a limited offering and the issuer—

- (i) notifies the Commission in writing of the proposed commencement date of the distribution within ten days of the first distribution of securities; and
- (ii) files a post distribution statement in accordance with section 84; or

(b) a limited offering made to a person who—

- (i) is a senior officer or partner of the issuer;
- (ii) is directly involved in the business of the issuer;

- (iii) is an associate of the issuer within the meaning of paragraphs (a), (b) and (c) of the definition of “associate”;
- (iv) is a relative of a person referred to in subparagraph (i);
- (v) is a shareholder of the issuer; or
- (vi) meets such other conditions as may be prescribed.

(4A) An issuer shall not be required to file a post distribution statement under section 84 with respect to a limited offering under subsection (4)(b).

62. (1) No security shall be—

- (a) distributed; or
- (b) listed with any securities exchange,

unless it is registered with the Commission.

Registration of securities.
[9 of 2014].

(2) An application for registration of a security may be made by filing a distribution statement with the Commission in such form as the Commission may determine signed—

- (a) by the chief executive officer or other duly authorised senior officer of the issuer and at least two members of the board of directors of the issuer;
- (b) in the case of a government entity or international agency, by the underwriter or designated agent; or
- (c) in the case of a collective investment scheme established as a trust, by the trustee or a person duly authorised by the trustee.

(3) Signatures appearing on the distribution statement shall be presumed to have been affixed to that statement by authority of the person whose signature is so affixed unless the contrary is proven.

(4) A distribution statement shall be deemed effective only as to the securities specified therein proposed to be offered or as otherwise prescribed.

(5) At the time of filing a distribution statement pursuant to subsection (2), the applicant shall pay to the Commission such fees as may be prescribed.

(6) *(Repealed by Act No. 9 of 2014).*

(7) The effective date of a distribution statement shall be determined by the Commission.

(8) Securities which were registered under the former Act and outstanding immediately before the coming into force of this Act, shall be deemed to be registered under this Act.

(9) Subsection (1)(a) shall not apply to—

(a) a limited offering where the issuer—

(i) notifies the Commission in writing of the proposed commencement date of the distribution within ten days prior to the first issuance of securities pursuant to the distribution; and

(ii) files a post distribution statement in accordance with section 84; or

(b) a limited offering made to a person who—

(i) is a senior officer or partner of the issuer;

(ii) is directly involved in the business of the issuer;

(iii) is an associate or relative of the issuer;

(iv) is a shareholder of the issuer; or

(v) meets such other conditions as may be prescribed.

(10) Notwithstanding subsection (9), the Commission may determine that it is in the public interest that the requirements of subsection (1) be met by the issuer.

(11) For the purposes of subsection (1), debt securities issued by the Government shall be deemed to be registered by the Commission where—

(a) the underwriter or designated agent pays the fees required under section 62(5); and

(b) the underwriter or designated agent files a post-distribution statement as required by section 84.

(12) Notwithstanding subsection (11), subsection (1) shall not apply to Treasury Bills or Treasury Notes issued by the Government pursuant to the Treasury Bills Act and the Treasury Notes Act.

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PART V

DISCLOSURE OBLIGATIONS OF REPORTING ISSUERS

63. A reporting issuer shall, within the prescribed period, after the end of its financial year—

Annual reports.

- (a) file with the Commission, a copy of its annual report containing the prescribed information; and
- (b) send the annual report to each holder of its securities, other than debt securities, addressed to the latest address as shown on the securities register of the reporting issuer.

64. (1) Subject to subsection (2), where a material change occurs in the affairs of a reporting issuer, the reporting issuer shall—

Timely disclosure of material changes. [9 of 2014].

- (a) within three days of the occurrence of the material change, file with the Commission the required report disclosing the nature and substance of the material change, the contents of which shall be certified by a senior officer;
- (b) forthwith, and in any event within seven days of the occurrence of the material change, publish a notice in such form as the Commission may require in two daily newspapers of general circulation in Trinidad and Tobago or as otherwise determined by the Commission and such notice shall be authorised by a senior officer and shall disclose the nature and substance of the material change; and

(c) within seven days of the occurrence of the material change file a copy of the notice published in paragraph (b) with the Commission.

(2) Subject to subsection (3), subsection (1) shall not apply where the reporting issuer is of the opinion that—

- (a) the disclosure required by subsection (1)(b) would be unduly detrimental to its interests; or
- (b) the disclosure required by subsection (1)(b) would be unwarranted,

and the reporting issuer shall forthwith comply with subsection (1)(a) and notify the Commission in writing of the material change and of the reasons why it is of the opinion that there should not be a notice as contemplated in subsection (1)(b).

(3) Where the Commission is of the opinion that the disclosure of the material change would not be unduly detrimental to the interests of a reporting issuer, it may, after giving the reporting issuer an opportunity to be heard—

- (a) require disclosure to the public of the material change in accordance with subsection (1); or
- (b) permit non-disclosure of the material change by the reporting issuer until such time as the Commission may determine.

Annual
financial
statements.
[9 of 2014].

65. (1) Every reporting issuer shall within the prescribed time prepare and file with the Commission annually comparative financial statements relating separately to—

- (a) the period that commenced on the date of incorporation or organisation and ended as of the close of the first financial year or, if the reporting issuer has completed a financial year, the last financial year; and
- (b) the period covered by the financial year immediately preceding the last financial year, if any, made up and certified as prescribed and prepared in accordance with financial reporting standards.

(2) Every financial statement referred to in subsection (1) shall be accompanied by a report of the auditor.

(3) The Commission may, where the report of the auditor required by subsection (2) is qualified in any respect, take any action that it deems necessary until the matters giving rise to the qualified audit report are resolved.

(4) The auditor shall, where he in the course of performing the duties required by subsection (2) is of the opinion that a matter could give rise to a qualification in the audit report on the financial statements, provide notice to the Commission immediately and deliver a copy of the notice promptly to the reporting issuer.

(5) The notice required by subsection (4) shall contain complete details about the circumstances giving rise to the notice.

(6) No person shall be appointed to act as the auditor of a reporting issuer unless such person is a member in good standing of ICATT or its equivalent in a designated foreign jurisdiction and meets any other requirements as may be prescribed.

(7) The board of directors of a reporting issuer shall have an audit committee composed of not less than three directors of the reporting issuer, a majority of whom shall—

- (a) not be employees of the reporting issuer or any of its affiliates; or
- (b) meet other such requirements as the Commission may determine.

66. (1) Every reporting issuer shall prepare and file with the Commission interim financial statements within sixty days of the end of the interim period to which they relate or within such other period as may be prescribed—

Interim
financial
statements.

- (a) where the reporting issuer has not completed its first financial year, for the periods commencing with the beginning of that year and ending three, six and nine months respectively, after the

beginning of that year, but no interim financial statement is required to be filed for a period that is less than three months; and

- (b) where the reporting issuer has completed its first financial year, for the periods commencing with the beginning of the current financial year and ending three, six and nine months respectively, after the beginning of that year, including a comparative statement to the end of each of the corresponding periods in the previous financial year,

prepared in accordance with financial reporting standards and certified as prescribed for each interim period of each financial year beginning on, or after the coming into force of this Act.

(2) An interim financial statement prepared and filed under subsection (1) need not include an auditor's report, but if an auditor has been associated with that statement, his audit report or his comments on the unaudited financial information shall accompany the financial statement.

Filing and
delivery of
financial
statements.
[9 of 2014].

67. (1) Subject to subsection (2), every financial statement required to be prepared and filed with the Commission pursuant to section 65 or 66, shall be concurrently sent by the reporting issuer to each holder of its securities, other than debt securities, to the address as shown on the securities register of the reporting issuer at the time such financial statements are filed with the Commission.

(2) A reporting issuer satisfies the obligation under this Part with respect to the sending and delivery of any document, report or statement to its security holders by—

- (a) sending the document, report or statement to its security holders by—
- (i) way of compact disc or other external memory device addressed to the latest address as shown on the securities register; or
 - (ii) electronic mail,

where the security holder has given written consent or a two-thirds majority of security holders of the reporting issuer has given consent at a meeting of the security holders and the reporting issuer posts the document, report or statement on its website;

- (b) publishing the document, report or statement in two daily newspapers of general circulation in Trinidad and Tobago;
- (c) posting the document, report or statement on the website of the reporting issuer and publishing a notice in two daily newspapers to be approved by the Commission, notifying the security holders about the availability of such document, report or statement;
- (d) mailing the document, report or statement to the most recent address as shown on the securities register of the reporting issuer; or
- (e) making the document, report or statement available in such other manner as the Commission may determine.

(3) Notwithstanding subsection (2), a security holder to whom the subsection applies may make a written request for a hard copy of any document, report or statements and the reporting issuer shall, as soon as practicable, send such document, report or statements addressed to the latest address as shown on the securities register of the reporting issuer.

68. (1) A reporting issuer shall, concurrently with the giving of notice of a meeting of its security holders, send a proxy in such form as the Commission may determine to each holder of voting securities of the reporting issuer entitled to receive notice of the meeting, to the address as shown on the securities register of the reporting issuer.

Proxy solicitation. [9 of 2014].

(2) A person shall not solicit proxies under subsection (1) unless concurrently with the solicitation, there is sent to—

- (a) each security holder whose proxy is solicited a proxy circular in such form as the Commission

may determine, either as an appendix to, or as a separate document accompanying the notice of the meeting, when the solicitation is, by or on behalf of the management of the reporting issuer; and

- (b) each security holder whose proxy is solicited and to the reporting issuer a dissident proxy circular in such form as the Commission may determine stating the purpose of the solicitation when the solicitation is not by, or on behalf of the management of the reporting issuer.

(3) A person who sends a proxy circular or dissident proxy circular shall forthwith file with the Commission a copy of the circular and the form of proxy.

(4) This section shall not apply where a reporting issuer is complying with—

Ch. 81:01.

- (a) comparable requirements of the Companies Act; or
- (b) the requirements of any designated foreign jurisdiction.
- (5) In this section, “solicit” means—
- (a) a request for a proxy, whether or not accompanied by, or included in a form of proxy;
- (b) a request to execute or not to execute a form of proxy or to revoke a proxy;
- (c) the sending of a form of proxy or other communications to a security holder under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy; and
- (d) the sending of a form of proxy to a security holder under subsection (1),

but does not include—

- (e) the sending of a form of proxy in response to an unsolicited request made by, or on behalf of a security holder;

- (f) the performance of administrative acts or professional services on behalf of a person requesting a proxy; Exemptions.
- (g) the sending by a broker-dealer of documents to a beneficial owner;
- (h) the request by a person in respect of securities of which he is the beneficial owner; or
- (i) publicly announcing, by a security holder, how the security holder intends to vote and the reasons for that decision, and that public announcement is made by—
 - (i) a speech in a public forum; or
 - (ii) a press release, an opinion, a statement or an advertisement provided through a broadcast medium or by a telephonic, electronic or other communication facility, or appearing in a newspaper, a magazine or other publication generally available to the public.

69. (1) A reporting issuer that is an approved foreign issuer is exempt from the requirements of this Part, where the reporting issuer— Exemptions for certain foreign issuers. [9 of 2014].

- (a) has a market capitalisation, calculated in the prescribed manner, of no less than the prescribed amount on the date it became a reporting issuer under this Act;
- (b) complies in all respects with the foreign disclosure requirements of a designated foreign jurisdiction regarding—
 - (i) the disclosure of material changes on a timely basis;
 - (ii) the preparation, filing and delivery of annual comparative financial statements and an auditor's report thereon;
 - (iii) the preparation, filing and delivery of interim financial statements; and

- (iv) the preparation, filing and delivery of an annual report, a management discussion and analysis or other similar document on the reporting issuer's annual comparative financial statements;
- (c) files with the Commission all such documents which it files with the securities regulatory authority in a designated foreign jurisdiction where it is registered in respect of the items described in subsection (1)(b) as soon as possible but in any event within seven days after such filing is required to be made with the foreign regulatory authority; and
- (d) delivers to each security holder, resident in Trinidad and Tobago, at the address shown on the securities register of the reporting issuer, the documents that such security holder would be entitled to receive under the securities laws of the designated foreign jurisdiction if such security holder were resident in that jurisdiction and such documents shall be sent within seven days after such documents would be required to be sent to the security holder if such security holder were resident in that jurisdiction.

(2) Subsection (1) is not applicable to an approved foreign issuer if, as at the end of the last financial year of the approved foreign issuer, the number of voting securities of the issuer held beneficially and of record, directly or indirectly, by residents of Trinidad and Tobago is twenty per cent or more of the outstanding voting securities of the issuer on such date or such other per cent as may be prescribed.

(3) A reporting issuer which is an approved foreign issuer shall certify annually to the Commission in writing, concurrently with the filing of its annual comparative financial statements, that it is an approved foreign issuer and is permitted to rely on the exemption provided by this section.

- 70.** (1) Subject to subsection (2), a reporting issuer who— Offence.
[9 of 2014].
- (a) contravenes this Part; or
 - (b) knowingly or recklessly makes a misrepresentation in any document required to be filed with the Commission or delivered to security holders under this Part,

commits an offence and is liable on conviction on indictment to a fine of one million dollars and to imprisonment for three years.

(2) Where a reporting issuer is convicted of an offence under subsection (1), each senior officer of the reporting issuer, who knowingly or recklessly authorised, permitted or acquiesced in the offence is also liable on conviction on indictment for such offence to a fine of five hundred thousand dollars and to imprisonment for two years.

(3) Notwithstanding subsection (2), the defence available to a senior officer under section 165(3) is also available to a senior officer in respect of this section.

(4) Where a senior officer is convicted of an offence under subsection (2), the Commission may order under section 155, and in addition to any other order that the Commission may make, that the senior officer be prohibited from being a senior officer of a registrant or self-regulatory organisation for a period not exceeding ten years.

- 71.** (1) The Commission may— Ceasing to be a
reporting issuer.
[9 of 2014].
- (a) on its own motion; or
 - (b) on application by a reporting issuer and payment of the prescribed fee,

make an order declaring, subject to such conditions as it considers appropriate, that the issuer is no longer a reporting issuer.

(2) Where a reporting issuer fails to file a report or statement required to be filed under this Part for more than six months following the prescribed date by which the report or statement is required to be filed, the Commission may impose such conditions on a reporting issuer as it sees fit including suspension and cessation of trading until such time as the outstanding report or statement is filed.

PART VI

DISTRIBUTION

Definition and
construction.
[9 of 2014].

72. (1) For the purpose of this Part, an advertisement solicits the purchase or sale of securities if—

- (a) it invites a person to enter into an agreement for, or with a view to subscribing for, or otherwise acquiring or underwriting any securities; or
- (b) it contains information reasonably calculated to lead, directly or indirectly, to a person entering into such an agreement.

(2) In this Part—

“accredited investor” means—

- (a) a person who has access to substantially the same information concerning the issuer that is required in a prospectus under this Part;
- (b) a senior officer of the issuer, or a spouse of any such person;
- (c) a bank, insurance company, loan or trust company incorporated, governed, or regulated under the laws of Trinidad and Tobago;
- (d) a registrant under section 51(1), (2) or (5);
- (e) a government entity, international agency or any foreign government;
- (f) an individual who has total net worth of no less than five million dollars or such higher amount as may be prescribed;
- (g) any person other than an individual, including a collective investment scheme, that has total net worth of no less than ten million dollars or such higher amount as may be prescribed;
- (h) any person outside of Trinidad and Tobago that is analogous to persons referred to in paragraphs (c), (d), (f) and (g); or
- (i) a person who meets such other requirements as may be prescribed;

“financial assets” means—

- (a) cash;
- (b) securities;
- (c) any contract of insurance; or
- (d) a certificate or document constituting evidence of any interest in a deposit account with—
 - (i) a financial institution;
 - (ii) a credit union as defined under the Co-operative Societies Act; or Ch. 81:03.
 - (iii) an insurance company registered under the Insurance Act; Ch. 84:01.

“non-financial assets” means the value of land, buildings or other property excluding the value of the primary residence of a person;

“offer to sell” includes an attempt or offer to dispose of, or a solicitation of an offer to buy, a security.

“total net worth” means total financial assets and non-financial assets less total liabilities.

73. (1) Subject to section 79, no person shall trade in a security that would be required to be registered pursuant to section 62(1), unless a prospectus has been filed with the Commission with the prescribed fee and a receipt therefor has been issued by the Commission. Prospectus required. [9 of 2014].

(2) Notwithstanding subsection (1), no person shall trade in an asset-backed security where such trade would be a distribution, unless such security has received an approved rating.

(3) Subsection (2) does not apply to a trade in an asset-backed security distributed under an exemption provided for in section 79.

74. (1) A person shall not solicit the purchase or sale of a security by way of advertisement in connection with a distribution of a security, unless a receipt has been issued by the Advertising. [9 of 2014].

Commission under this Act for a prospectus offering the security and the advertisement—

- (a) identifies the security distributed;
- (b) states that a receipt has been issued;
- (c) identifies a person from whom the prospectus offering the securities may be obtained, and identifies a person through whom orders will be executed; and
- (d) contains any other prescribed information.

(2) Notwithstanding subsection (1), a person may solicit an expression of interest from an accredited investor with respect to a proposed distribution provided that the person—

- (a) notifies the Commission in writing that he intends to do so and identifies the security proposed to be distributed; and
- (b) notifies the accredited investor that—
 - (i) either the security is being distributed pursuant to a limited offering or a distribution statement related to the proposed distribution has been filed with the Commission but has not been made effective;
 - (ii) no offer to buy the securities can be accepted and no part of the purchase price can be recovered until the distribution statement for the proposed distribution has become effective or the Commission has been notified of the date of the distribution under section 62(9)(a)(i); and
 - (iii) any such expression of interest shall not be binding on either party.

Delivery of
prospectus.
[9 of 2014].

75. (1) An issuer, or a registrant under section 51(1) acting as agent for the issuer, who receives an order or subscription for a security offered in a distribution, shall send or deliver to such person a prospectus, or amended prospectus, as the case may be, within two business days after the order or subscription is received.

(2) An agreement of purchase and sale in relation to an order or subscription referred to in subsection (1) is not binding on a purchaser if the issuer or the registrant under section 51(1) acting as agent for the issuer, receives not later than two business days after the day the purchaser received a prospectus or an amended prospectus under subsection (1), written notice that the purchaser intends not to be bound by the agreement.

(3) A person who files a prospectus with the Commission pursuant to section 73, during the period of distribution determined in accordance with section 83, shall furnish to a registrant under section 51(1), (2), and (5) a reasonable number of copies of the prospectus upon request and without charge.

(4) For the purposes of this section, the receipt of a prospectus by a person who acts solely as agent of the purchaser with respect to the purchase of a security referred to in subsection (1), is deemed to be a receipt by the principal purchaser as of the date on which the agent received the prospectus.

76. (1) A prospectus shall contain full and true disclosure in plain language of all material facts concerning the issuer and the securities to be distributed, and shall comply with the prescribed requirements.

Contents of prospectus.

(2) In addition to subsection (1), a prospectus distributing securities of a collective investment scheme shall comply with such additional requirements as may be prescribed.

77. (1) Where a prospectus has been filed with the Commission under section 73 in respect of any proposed distribution of securities and at any time during which an agreement in respect of those securities can be entered into in pursuance of that offer, or during the period of distribution thereunder—

Amended prospectus.

- (a) there is a material change; or
- (b) a material fact occurs,

the inclusion of information in respect of which would have been required to be included in the prospectus if it had arisen when the

prospectus was prepared, the issuer shall file with the Commission an amended prospectus containing particulars of that material change or material fact as the case may be, together with the prescribed fee and every prospectus thereafter sent or delivered to any person shall include such amended prospectus.

(2) Where an amended prospectus is required to be prepared and filed with the Commission under subsection (1), the distribution of securities under the prospectus shall cease until such time as the Commission has issued a receipt for the amended prospectus.

(3) Subject to section 75(2), an issuer, or a registrant under section 51(1) acting as agent for the issuer, who sends a prospectus to a purchaser under section 75(1) shall send to each such purchaser an amended prospectus forthwith after a receipt is issued by the Commission in respect of such amended prospectus.

Expert's
consent.

78. (1) A receipt shall not be issued by the Commission for a prospectus that includes a report, opinion, valuation or statement purporting to be made by an expert unless—

- (a) that expert has given, and has not before delivery of a copy of the prospectus is withdrawn, his written consent to the inclusion of the statement in the form and context in which it is included in the prospectus; and
- (b) there appears in the prospectus a statement that the expert has given and has not withdrawn his consent.

(2) The written consent of an expert under subsection (1) shall be filed in the prescribed manner.

Exemptions.
[9 of 2014].

79. (1) Subject to subsection (2), section 73 does not apply to a distribution—

- (a) by an issuer where the purchaser is an affiliate of the issuer acting as principal;
- (b) by an issuer of a security that is distributed to holders of its securities as a dividend or a distribution out of earnings, surplus, capital or other sources;

- (c) by an issuer of a security to holders of its securities incidental to a reorganisation or winding up or to a distribution of its assets for the purpose of winding up its affairs;
- (d) by an issuer of a security pursuant to the exercise of a right to acquire a security of its own issue, which right was previously granted by the issuer, if no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services, other than the solicitation of investors, performed by a registrant registered under section 51(1);
- (e) by an issuer of a right, transferable or otherwise, granted by it to holders of its securities to purchase additional securities of its own issue, and of securities pursuant to the exercise of such a right if the issuer—
 - (i) files with the Commission a notice that is to be sent to its security holders and the Commission does not inform the issuer in writing within ten days of the filing that it objects to the distribution; and
 - (ii) sends to its security holders any information relating to the securities that is satisfactory to the Commission;
- (f) by an issuer of a security that is exchanged by or for the account of the issuer with another issuer or the security holders of another issuer pursuant to—
 - (i) a statutory amalgamation or arrangement; or
 - (ii) a statutory procedure by which one issuer takes title to the assets of another issuer that loses its existence by operation of law or by which the existing issuers merge into a new issuer;
- (g) by an issuer pursuant to a take-over bid;

- (h) by an issuer of securities of its own issue or that of an affiliate to its senior officers or employees, or senior officers or employees of an affiliate, if—
- (i) in the case of employees, the employees are not induced to purchase the securities by expectation of employment or continued employment with the issuer; and
 - (ii) no commission or other remuneration is paid or given in respect of the distribution except for professional services or for services other than the solicitation of employees, performed by an issuer;
- (i) where the Commission makes an order declaring that the cost of providing a prospectus outweighs the resulting protection to investors, but in such circumstances the Commission may make the order subject to any conditions it considers appropriate;
- (j) of securities issued or guaranteed by a government entity, a government of a designated foreign jurisdiction or an international agency;
- (k) by a person declared an exempt purchaser by order of the Commission who purchases as principal or as trustee for accounts fully managed by it;
- (l) by a reporting issuer to fewer than fifty accredited investors where—
- (i) the distribution is not accompanied by an advertisement other than an announcement, on prescribed terms, of its completion;
 - (ii) no selling or promotional expenses are paid in connection with the trade except for professional services or services performed by a registrant under section 51(1); and

(iii) where the accredited investor is an individual, other than an individual described in paragraph (b) or (d) of the definition of accredited investor, the individual has obtained investment advice in respect of the distribution from—

(A) a registrant under section 51(1), (2) or (5); or

(B) any prescribed person,

who receives no remuneration from the issuer or selling security holder in connection with the distribution;

(m) in a limited offering; or

(n) in such other circumstances as may be prescribed.

(2) An asset-backed security may only be distributed pursuant to an exemption in subsection (1) where a risk disclosure statement in such form as the Commission may determine has been delivered to each purchaser of the asset-backed security.

(3) The certificate or other proof of ownership for any security distributed under an exemption in subsection (1)(a), (k), (l) or (m) shall contain the prescribed statement.

(4) Subject to subsection (6), section 73 does not apply to a distribution by a person within the meaning of paragraph (d) of the definition of “distribution” if the distribution is a trading transaction.

(5) For the purposes of subsections (4) and (6), a distribution is a trading transaction where—

(a) the distribution is conducted by, or through a registrant under section 51(1);

(b) the issuer of the security being distributed has been a reporting issuer for at least twelve months immediately preceding the date of commencement of the distribution;

(c) no selling or promotional expenses are incurred in connection with the distribution except for services customarily performed by a registrant under section 51(1);

- (d) the distribution takes place through the facilities of a securities exchange;
 - (e) at the time of the distribution, the selling security holder does not have knowledge or possession of any material non-public information in respect of the reporting issuer;
 - (f) if the securities being distributed have been acquired by the selling security holder under a prospectus exemption, at least six months have elapsed from the date of the initial exempt distribution; and
 - (g) notice of the intention to distribute securities in a trading transaction is published by a notice in two daily newspapers of general circulation in Trinidad and Tobago and filed with the Commission no less than three and no more than ten business days prior to the first sale by the selling security holder.
- (6) Subsection (4) is not available in a distribution that is a trading transaction unless—
- (a) the first sale takes place no less than three business days and no more than ten business days after the date of issuance of the notice required by subsection (5)(g); and
 - (b) the final sale takes place no later than the sixtieth day after the date of issuance of the notice required by subsection (5)(g).

Exemptions for approved foreign issuers. [9 of 2014].

80. (1) In connection with a distribution of securities, an issuer that is an approved foreign issuer may satisfy the requirements of sections 73, 75, 76, 77 and 78 of this Part by—

- (a) filing with the Commission—
 - (i) a certificate signed by a senior officer of the issuer certifying that it is an approved foreign issuer;
 - (ii) a copy of the receipt or other evidence that the prospectus or offering document

to be used in connection with a distribution of securities has become final for the purposes of a distribution of securities in a designated foreign jurisdiction;

- (iii) a copy of all documents incorporated or deemed incorporated by reference in the prospectus or offering document;
 - (iv) a copy of all reports or valuations filed in the designated foreign jurisdiction in connection with the distribution;
 - (v) a form of submission to jurisdiction and appointment of agent for service of process of the issuer in such form as the Commission may determine; and
 - (vi) a copy of the prospectus or offering document, and each supplement or amendment thereto, including a certificate of a senior officer of the issuer certifying that the prospectus or offering document constitutes full and true disclosure in plain language of all material facts relating to the issuer and the securities being distributed; and
- (b) delivering to each purchaser in Trinidad and Tobago—
- (i) the offering document or prospectus, and each supplement or amendment thereto; and
 - (ii) an addendum to the offering document or prospectus containing the prescribed information.

(2) Subsection (1) does not apply to an approved foreign issuer where—

- (a) following the distribution, the number of voting securities of the issuer held, beneficially and of

record, directly or indirectly, by residents of Trinidad and Tobago would amount to twenty per cent or more in the aggregate of the total number of voting securities outstanding of the issuer;

- (b) the approved foreign issuer is a collective investment scheme;
- (c) the approved foreign issuer has a market capitalisation of less than the amount as prescribed on the date the documents required to be filed under subsection (1) are filed with the Commission; or
- (d) the documents required to be filed by the issuer under subsection (1) are not filed in English.

(3) Subject to subsection (2), where an approved foreign issuer files with the Commission the documents and material required under subsection (1), the Commission shall issue a receipt for such prospectus or offering document unless the Commission determines it is not in the public interest to do so.

Resale
restrictions.
[9 of 2014].

81. (1) The first trade in securities previously acquired pursuant to an exemption contained in paragraph (a), (d), (k), (l) or (m) of section 79(1), other than a further trade exempted by this Act, is deemed to be a distribution, unless —

- (a) the issuer whose securities are being traded is and has been a reporting issuer for the twelve months immediately preceding the date of the trade;
- (b) the trade is not a distribution within the meaning of paragraph (d) of the definition of distribution;
- (c) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;
- (d) no extraordinary commission or consideration is paid to a person in respect of the trade;
- (e) if the seller is a person connected to a reporting issuer within the meaning of Part IX, such seller has no reasonable grounds to believe that such issuer is in default under this Act; and

(f) at least six months have elapsed from the date of the initial distribution with the exception of securities previously acquired pursuant to an exemption contained in section 79(1)(d).

(2) A person who purchases a security pursuant to an exemption from the prospectus requirement of section 73(1), that is available under this Act at a time when the condition set forth in subsection (1)(f) has not been satisfied, shall be in the same position as the seller for the remainder of the period specified in subsection (1)(f).

(3) Where a security of an issuer is distributed on conversion or exchange of another security of the same issuer at a time when the condition set forth in subsection (1)(f) has not been satisfied in respect of the convertible or exchangeable security, a person who takes such security distributed on conversion or exchange shall be in the same position for the remainder of the period specified in subsection (1)(f) as if such conversion or exchange had not occurred.

82. (1) Subject to subsections (2), (3) and (4), the Commission shall issue a receipt for a prospectus within a reasonable time after the date of the filing of the prospectus. Receipt for prospectus.

(2) The Commission shall refuse to issue a receipt for a prospectus if—

- (a) the prospectus or any document filed therewith—
 - (i) contains a misrepresentation;
 - (ii) contains any statement, promise, estimate or forecast that is misleading, false or deceptive;
 - (iii) fails to disclose any material fact which may be required under this Act; or
 - (iv) fails to comply with any requirement of this Act;
- (b) the distribution in connection with which it is filed is deceptive;

- (c) an extraordinary commission or consideration has been or is intended to be given for promotional purposes or for the acquisition of the security;
- (d) in the opinion of the Commission, the past conduct of—
 - (i) the issuer;
 - (ii) any senior officer of the issuer;
 - (iii) the promoter of the distribution;
 - (iv) a person holding securities sufficient to materially affect the control of the issuer; or
 - (v) any other person who exercises or is reasonably considered by the Commission likely to exercise influence over its management or policies,suggests that the business or affairs of the issuer are likely to be conducted in a manner that is not honest or financially responsible or that may be unfair to holders of its securities;
- (e) the proceeds that the issuer will receive from the distribution, together with its other resources, are not sufficient to accomplish the purpose of the distribution stated in the prospectus;
- (f) an expert who has prepared or certified a part of the prospectus or report used in connection with it, or who has filed a consent with the Commission, is not acceptable to the Commission;
- (g) the issuer is in default in filing or delivering any document with the Commission required under this Act or under any other written law by or under which it is incorporated or organised;
- (h) a broker-dealer, underwriter or investment adviser named in the prospectus is not registered under section 51(1) or authorised to perform equivalent functions under the laws of a designated foreign jurisdiction;
- (i) where a minimum amount of funds is required by an issuer, the prospectus does not indicate that

the distribution will cease if the minimum amount of funds is not subscribed within ninety days of the commencement of the distribution; or

- (j) the Commission considers that the distribution would be prejudicial to the public interest.

(3) The Commission shall not refuse to issue a receipt for a prospectus without giving the person who filed the prospectus an opportunity to be heard.

(4) The Commission may, in connection with the issuance of a receipt for a prospectus, impose any condition which in the opinion of the Commission is necessary for the protection of investors including a condition that—

- (a) outstanding securities of the issuer be held in escrow upon such terms as the Commission may specify;
- (b) the proceeds of a distribution which are payable to the issuer be held in trust until such amounts, as may be specified by the Commission, are to be released to the issuer; and
- (c) no sales pursuant to the distribution may be completed before such time as may be specified by the Commission.

83. (1) For the purposes of this Part, a distribution commences on—

- (a) the effective date of a distribution statement as determined by the Commission under section 62(7); or
- (b) in the case of a limited offering, the date of first issuance of the security.

Commencement and cessation of distribution. [9 of 2014].

(2) Where in the first ninety days following the commencement of a distribution, twenty-five per cent or less of the securities proposed to be distributed and sold under the prospectus are actually sold and paid for, the distribution shall cease and the funds shall be returned to subscribers until such time as a new prospectus is filed and a receipt therefor issued by the Commission.

(3) Where a minimum amount of funds is required by an issuer, and such minimum amount of funds is not raised by the issuer in the first ninety days following the commencement of the distribution, the distribution shall cease and the funds shall be returned to subscribers until such time as a new prospectus is filed and a receipt therefor issued by the Commission.

(4) Subject to subsection (5), a distribution shall not continue longer than one year and twenty days from—

- (a) the effective date of the distribution statement relating to it unless the Commission issues a new effective date, in which case the period runs from the latter effective date; or
- (b) in the case of a limited offering, the date of first issuance of the security.

(5) The Commission may determine that the period specified in subsection (4) be reduced to not less than six months.

(6) Subsections (2), (3) and (4) do not apply to a distribution of securities by a collective investment scheme.

Post-distribution statement. [9 of 2014].

84. (1) A person who distributes a security, other than a security which is issued by a collective investment scheme—

- (a) under a prospectus which has been filed with the Commission and receipt obtained therefor under this Act; or
- (b) pursuant to an exemption from the requirement to file a prospectus with the Commission,

shall within ten business days of the completion of the distribution, file a post-distribution statement in respect of the securities distributed with the Commission in such form as the Commission may determine.

(2) A post-distribution statement shall be signed by—

- (a) the chief executive officer or other duly authorised senior officer of the issuer and at least two members of the board of directors of the issuer; or

(b) in the case of a government entity or international agency, by the underwriter or designated agent of the government entity or international agency.

(3) *(Repealed by Act No. 9 of 2014).*

PART VII

MARKET CONDUCT AND REGULATION

DIVISION 1—STAMP DUTY

85. Notwithstanding the Stamp Duty Act, no stamp duty shall be payable in respect of the transfer of any security in accordance with the rules of governance of any registered self-regulatory organisation.

Exemption from stamp duty.
Ch. 76:01.

DIVISION 2—TRANSACTIONS CONDUCTED OTHER THAN THROUGH A SECURITIES EXCHANGE

86. Where a registrant under section 51(1)(a) participates in trades other than through the facilities of a securities exchange, such a registrant shall keep a record of all trades executed by any person other than through the facilities of a securities exchange and shall file with the Commission a report of the trades in such form as the Commission may determine and within the prescribed period.

Trades conducted other than through a securities exchange.
[9 of 2014].

DIVISION 3—RECORD-KEEPING AND COMPLIANCE REVIEWS

87. (1) Every market actor shall—

(a) make and keep such books, records and other documents in such form and for such periods as—

Record-keeping.

(i) are reasonably necessary in the conduct of its business and operations, including documentation of compliance with this Act and the proper recording of its business transactions, financial affairs and the transactions that it executes on behalf of others;

(ii) are required by this Act;

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- (iii) are required by the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law that is administered or supervised by the Commission, which may be in force from time to time; and
- (iv) otherwise prescribed;
- (b) file with, or deliver to, the Commission any prescribed document, instrument, writing or report; and
- (c) make available to a person any report referred to in paragraph (b) upon request.

(2) Without limiting the generality of subsection (1), every self-regulatory organisation that is a securities exchange shall keep a record as prescribed of the time at which each transaction on a self-regulatory organisation took place and any other prescribed information and shall supply to a client of a member of the self-regulatory organisation, on production of a written confirmation of a transaction with the member, particulars of the time at which the transaction took place and verification or otherwise of the matters set forth in the written confirmation.

(3) On the request of a person who produces a written confirmation of a trade on his behalf through its facilities, a securities market shall furnish to him—

- (a) forthwith, if the trade was executed within thirty days of the request; and
- (b) within a reasonable time, if the trade was executed more than thirty days before the request,

details of when the trade took place and of any other matter contained in the confirmation of which the securities market acquired knowledge in the ordinary course of its business.

(4) Any book, record or other document required to be kept under this Act shall be kept for a period of at least six years or as otherwise prescribed.

88. Every market actor shall deliver to the Commission at such time as the Commission or any duly authorised member, employee or agent of the Commission may request in the performance of its or his functions under this Act—

Provision of information to the Commission.

- (a) any of the books, records or documents that are required to be kept by the market actor under this Act or copies or extracts thereof; and
- (b) any filings, reports or other communications made to any other regulatory agency whether required under this Act or any other written law or copies or extracts thereof.

89. (1) In the performance of the functions of the Commission under this Act, the chief executive officer or any duly authorised employee or agent of the Commission so authorised in writing by the chief executive officer, shall be permitted to review the books, records or documents of a registrant or self-regulatory organisation for the purpose of—

Compliance reviews. [9 of 2014].

- (a) determining whether the provisions of this Act, the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combatting the financing of terrorism or any other written law that is administered or supervised by the Commission are being complied with; and
- (b) assessing any risk in respect of the registrant or self-regulatory organisation that could prejudice its financial viability or the interests of its clients, members, investors or the securities industry.

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(2) A person conducting a compliance review under this section shall, on production of his authorisation, be permitted to—

- (a) enter the business premises of any registrant or self-regulatory organisation during normal business hours upon providing reasonable written notice to such registrant or self-regulatory organisation;

- (b) inquire into and examine the books, records or documents of the registrant or self-regulatory organisation that are required to be kept under section 87, and make copies of, or take extracts from, the books, records or documents; or
- (c) request any information or explanation as he considers necessary for the due performance of his duties.

(3) References to books, records, or documents in this section include all books of account, tangible or intangible securities or other instruments, cash or cash equivalents, vouchers, sales contracts, minutes of meetings or other records, accounts or data.

(4) The Commission may charge a fee as prescribed for a compliance review conducted under this section.

(5) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

Compliance
directions.
[9 of 2014].

90. (1) Notwithstanding any other action or remedy available under this Act, if a compliance review conducted under section 89 or any other review or inspection reveals that a registrant or self-regulatory organisation—

- (a) is committing, or is about to commit an act or is pursuing or is about to pursue any course of conduct, that is an unsafe or unsound practice in conducting the business of securities;
- (b) is committing, or is about to commit an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of investors;
- (c) is contravening or is about to contravene any of the provisions of this Act or Bye-laws or Guidelines made thereunder or the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any

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other written law that is administered or supervised by the Commission which may be in force from time to time; or

- (d) has breached any requirement or failed to comply with any measure imposed by the Commission in accordance with this Act or Bye-laws or Guidelines made thereunder,

the chief executive officer, upon notifying the Chairman, may direct the registrant or self-regulatory organisation within such time as may be specified, to take all such measures as he may consider necessary to remedy the situation or minimise the prejudice.

(2) For the purposes of this section, “unsafe or unsound practices” includes without limitation, any action or lack of action that is contrary to generally accepted standards or prudent operation and behaviour, the possible consequences of which, if continued, would be a risk of loss or damage to a registrant or self-regulatory organisation, its investors or the general public.

(3) Subject to subsection (6), before a direction is issued, the person to whom the direction is to be issued shall be served with a notice specifying—

- (a) the facts of the matter;
(b) the directions that are intended to be issued; and
(c) the time and place at which the person served with the notice may make representations to the chief executive officer.

(4) If the person served with the notice referred to in subsection (3) fails to attend at the time and place stipulated by the said notice, the chief executive officer, upon notifying the Chairman, may proceed to issue directions in his absence.

(5) Where after considering the representations made in response to the notice referred to in subsection (3), the chief executive officer determines that the matters specified in the notice are established, the chief executive officer, upon notifying the Chairman, may proceed to issue directions to the person served with the notice.

(6) Notwithstanding subsection (3), if in the opinion of the chief executive officer, the length of time required for the representations to be made might be prejudicial to investors or to the stability of the securities industry, the chief executive officer may, upon notifying the Chairman, make an interim direction with respect to the matters referred to in subsection (1) having effect for a period of not more than twenty business days.

(7) A direction made under subsection (6) continues to have effect after the expiration of the twenty-day period referred to in that subsection if no representations are made to the chief executive officer within that period, or if representations have been made, the chief executive officer notifies the person to whom the direction is issued that he is not satisfied that there are sufficient grounds for revoking the direction.

(8) A person who fails to take measures directed pursuant to subsection (1) commits an offence and is liable on summary conviction to a fine of five million dollars and to imprisonment for five years.

(8A) If a person to whom a direction is issued fails to comply with the said direction the chief executive officer may, in addition to any other action that may be taken under this Act, apply to a Judge in Chambers for an order requiring that person to comply with the direction, cease the contravention or do anything that is required to be done and on such application the Judge may so order and make any other order as he thinks fit.

(8B) A decision of the chief executive officer to issue a direction under subsection (1) shall be deemed to be a decision of the Commission.

(9) All directions issued under this section shall be referred to as “compliance directions”.

DIVISION 4—MARKET MANIPULATION OFFENCES

False trading and artificial prices in a securities market.

91. (1) No person shall do anything, take part, carry out, or cause anything to be done, whether directly or indirectly, in one or more related transactions, with the intention that or being reckless as to whether such transaction has or is likely to have the effect of creating a false or misleading appearance of trading activity on a securities market.

(2) No person shall do anything, take part in, carry out, or cause anything to be done, whether directly or indirectly, in one or more related transactions, with the intention that or being reckless that such transaction has or is likely to have the effect of creating an artificial price, or maintaining at an artificial level a price, for a security on a securities market.

(3) Without limiting the generality of subsections (1) and (2), where a person—

- (a) enters into or carries out, directly or indirectly, any transaction which purports to be a transaction of sale or purchase of securities that does not involve a change in the beneficial ownership of the securities;
- (b) offers to sell securities at a price that is substantially the same as the price at which he has made or proposes to make or knows that another person acting jointly or in concert with him has made or proposes to make an offer to purchase the same or substantially the same number of the securities; or
- (c) offers to purchase securities at a price that is substantially the same as the price at which he has made or proposes to make, or knows that another person acting jointly or in concert with him has made or proposes to make, an offer to sell the same or substantially the same number of the securities,

the person is presumed, for the purposes of subsections (1) and (2) to be doing something or causing something to be done, with the intention that, or being reckless as to whether such transaction has, or is likely to have, the effect of creating a false or misleading appearance of trading activity on a securities market, or creating or maintaining at a level that is artificial, a price for a security on a securities market unless the contrary is proven by him.

92. No person shall—

Price rigging.

- (a) enter into or carry out, directly or indirectly, any transaction or sale or purchase of securities that

does not involve a change in the beneficial ownership of those securities, with the intention that, or being reckless as to whether such transaction has, or is likely to have, the effect of maintaining, increasing, reducing, stabilising, or causing fluctuations in, the price of securities traded on a securities market; or

- (b) enter into or carry out, directly or indirectly, any fictitious or artificial transaction or device, with the intention that, or being reckless as to whether, such transaction has, or is likely to have, the effect of maintaining, increasing, reducing, stabilising, or causing fluctuations in the price of securities traded on a securities market.

Dissemination of information containing a misrepresentation.

93. No person shall disclose, circulate or disseminate, or authorise the disclosure, circulation or dissemination of information to induce another person to buy, sell or otherwise trade in securities, whether or not such purchase, sale or trade is with such person, where the information contains a misrepresentation, and the person knows, or is reckless as to whether, the information contains a misrepresentation.

Securities market manipulation.

94. A person shall not, directly or indirectly, enter into, carry out or participate in any transaction in securities of an issuer by itself or in conjunction with any other transaction that the person knows or reasonably ought to know will result in or contribute to a misleading appearance of trading activity in, or an artificial price for, a security.

Use of fraudulent or deceptive devices.

95. A person shall not, directly or indirectly, in connection with a trade in securities—

- (a) employ any device, scheme or artifice with the intent to defraud or deceive;
- (b) engage in any act, practice or course of business which is fraudulent or deceptive, or would operate as a fraud or deception; or
- (c) make any untrue statement of a material fact or omit to state a material fact with the intention to mislead.

96. (1) No registrant under section 51(1)(a) or employee of such a registrant shall effect trades that are excessive in volume or frequency with or for a client in respect of whose trading he is in a position to control or direct.

Excessive trading.

(2) No person who has discretionary authority over, or who is a trustee for an account of another, shall effect or cause to be effected trades that are excessive in volume and frequency for the person whose account he has discretionary authority over or is a trustee for.

(3) For the purposes of this section, whether trades are excessive in volume or frequency shall be determined on the basis of such factors as the amount of profits or commissions of the registrant, employee or other person in relation to the size of the account of the client or the pattern of trading in the account, or the needs and objectives of the client as ascertained on reasonable inquiry.

97. (1) The Commission may prescribe standards for the conduct of a registrant in relation to a client or investor to prevent—

Standard of conduct for registrants.

- (a) a conflict of interest; or
- (b) any other conduct that would enable a registrant to treat a client or investor unfairly.

(2) The Commission may prescribe standards for the conduct of a registrant under section 51(1)(a) and (c) in relation to the custody or lending of any money or security held for a client or investor.

98. (1) A registrant under section 51 shall not recommend a trade in a security to any client unless—

Restrictions on recommendation. [9 of 2014].

- (a) he has reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry as to his investment objectives, investment experience, financial situation and needs, or on any other information known to the registrant; and

(b) he discloses in writing to any such person all conflicts of interest or potential conflicts of interest that he has, or may have, in respect of the security or the issuer of the security, including any conflict or potential conflict of interest arising from—

- (i) his holding of securities of the issuer as beneficial owner;
- (ii) any compensation arrangement with any person;
- (iii) his acting as underwriter in any distribution of securities of the issuer in the three years immediately preceding; or
- (iv) any direct or indirect financial or other interest in the security or the issuer of the security held by the registrant.

(2) Where a registrant registered under section 51 publishes a research report which is not prepared for a specific client and which recommends generally a trade in security, that research report—

- (a) shall contain the information required in subsection (1)(b); and
- (b) is exempt from the requirement outlined in subsection (1)(a).

Offence.
[9 of 2014].

99. A person who contravenes section 91, 92, 93, 94, 95, 96 or 98 commits an offence and is liable on summary conviction to a fine of two million dollars and imprisonment for five years.

DIVISION 5—INSIDER TRADING

Prohibition on
use of material
non-public
information.

100. (1) No person connected to a reporting issuer shall, directly or indirectly, buy, sell, or otherwise trade in any securities of such reporting issuer, on a securities market, during any time that such person has knowledge or possession of material non-public information, however obtained, until such information has been published.

(2) No person connected to a reporting issuer shall, directly or indirectly, counsel, procure or otherwise advise any person to buy, sell, or otherwise trade in any securities of such reporting issuer, on a securities market, during any time that such person has knowledge or possession of material non-public information, however obtained, until such information has been published.

101. A person connected to a reporting issuer shall not, directly or indirectly, communicate or otherwise disclose any material non-public information to any person until such information has been published, unless in the necessary course of business.

Prohibition on the disclosure of material non-public information.

102. A person who contravenes section 100 or 101 commits an offence and is liable on summary conviction to a fine of ten million dollars and to imprisonment for ten years.

Offence. [9 of 2014].

103. No transaction is—

(a) void; or

(b) voidable by the person who has knowledge or possession of material non-public information,

by reason only that it was entered into in contravention of section 100 or 101.

Transaction not void or voidable.

104. (1) Sections 100 and 101 do not prohibit a person by reason of his having knowledge or possession of any material non-public information from—

Exceptions to sections 100 and 101. [9 of 2014].

(a) entering into a transaction in the course of the exercise in good faith of his functions as liquidator, receiver, receiver-manager or trustee in bankruptcy; or

(b) acquiring securities through any employee profit-sharing plans or employee stock ownership plan established to provide for the ownership of such securities by all employees where—

(i) the participation of the person in such plan is established prior to the time that the person acquired knowledge or possession of the material non-public information; or

- (ii) the plan provides for the automatic acquisition of securities by participants in such plan.

(2) A person is not, by reason only of his having knowledge or possession of material non-public information relating to any particular transaction, prohibited by section 100 or 101—

- (a) from buying or selling or participating in any transaction on any securities market; or
- (b) from doing any other thing in relation to securities which he is prohibited from buying or selling or causing to be traded on any securities market,

if he does that thing only in order to facilitate the completion or carrying out of a transaction that was agreed to before the time that the person acquired knowledge or possession of the material non-public information and the transaction is completed on the same terms.

(3) An entity who buys, sells or otherwise trades in securities of a reporting issuer with knowledge or possession of material non-public information that has not been published is exempt from section 100(1), where the entity proves that—

- (a) no senior officer, partner, employee or agent of the entity that made or participated in making the decision to buy, sell or otherwise trade the securities of the reporting issuer had knowledge of the material non-public information; and
- (b) no investment advice was given with respect to the purchase, sale or other trade of the securities to the senior officer, partner, employee or agent of the entity who made or participated in making the decision to buy, sell or otherwise trade the securities by a senior officer, partner, employee or agent of the entity who had knowledge of the material non-public information,

provided that this exemption is not available to an individual who had knowledge of the material non-public information.

(4) In determining whether an entity has met the requirements under subsection (3), it shall be relevant whether and to what extent the entity has implemented and maintained reasonable policies and procedures to prevent contraventions of section 100 by persons making or influencing investment decisions on its behalf, and to prevent transmission of material non-public information contrary to section 101.

105. Where a person is accused of an offence under section 100 or 101, it shall not be a defence to the charge that the material non-public information in respect of which the accusation has been made came to his knowledge or possession without having been solicited by him or that he made no effort to procure the acquisition of such information.

Defence not available.

106. In this Part—

Presumptions.

- (a) a person who trades in a security at a time when he has knowledge or possession of material non-public information is presumed to have traded in the security as a result of his knowledge or possession of the material non-public information unless the contrary is proven by him; and
- (b) an entity is deemed to have knowledge or possession of material non-public information at and from the time such material non-public information comes to the knowledge or possession of any senior officer, partner, employee or agent of such entity.

DIVISION 6—MARKET PRACTICES

107. (1) A broker-dealer shall establish and keep one or more trust accounts or such other accounts as the Commission may determine into which it shall, upon receipt pay—

Client accounts.
[9 of 2014].

- (a) all amounts, less any commission and other proper charges, that are received from or on account of any person, other than another broker-dealer, for the purchase of securities; and

(b) all amounts, less any commission and other proper charges, that are received on account of any person, other than a broker-dealer, from the sale of securities and not paid to that person or as that person directs.

(2) No money shall be withdrawn from an account established under subsection (1), except for the purpose of making a payment on behalf of or to the person lawfully entitled thereto or for any other purpose duly authorised by law.

(3) Nothing in this section shall be construed as affecting in any way any lawful claim or lien which any person may have against or upon any monies held in an account established under subsection (1), or against or upon any monies received for the purchase of securities, or from the sale of securities, before such monies are paid into such account.

(4) A broker-dealer that contravenes this section commits an offence and is liable on conviction on indictment to a fine of five hundred thousand dollars and to imprisonment for two years.

Registrant to send documents to beneficial owner. [9 of 2014].

108. (1) Where securities of an issuer are registered in the name of, but not beneficially owned by, a registrant registered under section 51(1) or his nominee, the registrant registered under section 51(1) or his nominee shall send to the beneficial owner of the securities a copy of any document sent to him as registered security holder forthwith after receipt thereof, unless the beneficial owner instructs him in writing that the document need not be sent.

(2) A person who sends a document to registered security holders pursuant to this Act shall furnish to a registrant registered under section 51(1) or his nominee forthwith upon request, sufficient copies of the document to enable him to comply with subsection (1) and the registrant registered under section 51(1) or his nominee shall pay or reimburse the person the reasonable costs of doing so.

Confirmation to be sent to client. [9 of 2014].

109. (1) Subject to subsection (2), a broker-dealer who trades in any security with or for a client shall send to that client within

two business days after the completion of the trade, a written confirmation of the trade containing the prescribed information.

(2) The Commission may determine that a broker-dealer who provides a service of a continuous nature may send, instead of a confirmation as referred to in subsection (1), a periodic statement at the end of each three-month period or at such other shorter period and containing such information as may be prescribed.

(3) A broker-dealer satisfies the obligation under subsection (1) or (2) by sending the confirmation or statement to its client by—

- (a) way of compact disc or other external memory device addressed to the latest known address as shown on the securities register; or
- (b) electronic mail,

where the client has given written consent for delivery in such a format.

(4) Notwithstanding subsection (3), a client of a broker-dealer may make a written request for a hard copy of any confirmation or periodic statement and the broker-dealer shall, as soon as practicable, send such statement to the latest known address of the client.

110. A broker-dealer shall on the request of the Commission forthwith but in any event no later than seven business days from the date of the request disclose to the Commission the name of a person with or through whom the security was traded.

Notification to Commission.

111. (1) In this section, “residence” includes a building or part of a building in which the occupant resides permanently or temporarily and any appurtenant premises.

Restriction on trading at residence.

(2) No person shall—

- (a) attend at any residence without being invited by an occupant of the residence; or

- (b) make an unsolicited communication to any residence including by telephone, facsimile or mail delivered to the residential address,

within Trinidad and Tobago for the purpose of trading in a security, or providing investment advice.

(3) Subsection (2) shall not apply where the person attends at or communicates to any residence—

- (a) of a close friend, a business associate or a client with whom or on whose behalf the person attending or communicating has been in the habit of trading securities; or
- (b) of a person who has received a copy of a prospectus for which a receipt has been obtained under this Act and who has requested that information respecting a security offered in that prospectus be furnished to him by the person attending at or communicating to the residence.

Control of advertisement.
[9 of 2014].

112. (1) The Commission may require a registrant to send to it a copy of each advertisement that he proposes to use in connection with a trade in a security at least seven business days before it is used, if the Commission reasonably believes that the past conduct of the registrant in connection with such advertisements makes such review by it necessary for the protection of investors.

(2) The Commission may require that the use of an advertisement sent to it pursuant to subsection (1) be prohibited or require that the advertisement be altered before it is used if the Commission is of the view that the advertisement is likely to mislead the public.

(3) In this section, “advertisement” includes any material designed to make a sales presentation to a purchaser whether or not it is published or presented to a purchaser but does not include a prospectus.

Seller of security to declare non-ownership.

113. A person who places an order with a broker-dealer to sell a security that he does not beneficially own or, if acting as agent, that he knows his principal does not beneficially own, shall,

when he places the order, declare that he or his principal, as the case may be, does not beneficially own the security.

114. (1) A person who places an order for the sale of a security through a broker-dealer acting on his behalf and who—

Declaration as to short position.

- (a) does not beneficially own the security; or
- (b) if he is acting as agent knows his principal does not own the security,

shall, at the time of placing the order to sell, declare to the broker-dealer that he or his principal, as the case may be, does not beneficially own the security, and that fact shall be published by the broker-dealer in the written confirmation of sale.

(2) For the purposes of subsection (1), a security which is not owned by a person includes, but is not limited to, a security that—

- (a) has been borrowed by that person; or
- (b) is subject to any restriction on its sale.

115. A registrant shall not use the name of, or hold himself out as, another registrant on letterheads, forms, advertisements or signs, on correspondence or otherwise, unless he is a partner, senior officer or agent of, or is authorised in writing by, the other registrant.

Prohibition on use of name of another registrant.

116. (1) A person shall not knowingly or recklessly represent that he or any other person is registered in any capacity under this Act unless—

Representation as to registration. [9 of 2014].

- (a) the representation is true; and
- (b) in making the representation, he specifies his or the other person's category of registration under this Act.

(2) A person who is not registered under this Act shall not, directly or indirectly, hold himself out as being registered.

(3) A person who contravenes subsection (1) or (2) commits an offence and is liable on summary conviction in the

case of a company, to a fine of ten million dollars and in the case of an individual, to a fine of ten million dollars and to imprisonment for ten years.

Approval of Commission not to be advertised.

117. (1) Subject to subsection (2), a person shall not represent, orally or in writing, that the Commission or a person authorised by the Commission, has in any way approved or endorsed the financial standing, fitness or conduct of any person or evaluated the merits of any security or issuer.

(2) Subsection (1) shall not be construed as preventing a person who is duly registered under this Act from holding himself out as being so registered.

PART VIII

SIMPLIFIED CLEARING FACILITIES

Application of Part.

118. Notwithstanding any other written law, this Part shall have effect in relation to securities registered with the Commission.

Definitions.

119. In this Part—

“interested person” means a person who has an interest in a security in an account of a participant in a clearing agency;

“in writing” includes production in machine readable form;

“pledge” means a contractual interest in a security that is delivered to, retained by, or deemed to be in the possession of, a creditor to secure payment of a debt or other obligation and includes a mortgage and pledge of a security;

“registered owner” means a person who is shown on the securities register of an issuer as the owner of a security or security certificate issued by it; and

“security certificate” means an instrument issued by, or on behalf of an issuer that is evidence of a security.

Use of clearing agency as registered owner of security. [9 of 2014].

120. (1) On the issue of a security, an issuer may deliver a security certificate directly to a clearing agency as registered owner of the security if—

- (a) the issuer has written authorisation signed by, or on behalf of the beneficial owner; and

(b) the delivery of the certificate is evidenced by a written confirmation signed by the clearing agency and sent at once by the issuer to the beneficial owner or his agent.

(2) On the issue of a security, an issuer may, instead of delivering a security certificate, issue a security to a clearing agency as registered owner by means of record entries if—

- (a) the issuer has written authorisation signed by or on behalf of the beneficial owner of the security;
- (b) the issue is further evidenced by a written confirmation executed by the clearing agency and sent at once by the issuer to the beneficial owner of the security or his agent; and
- (c) the issue is recorded at once in the securities register of the issuer and the records of the clearing agency.

(3) The requirement to obtain the written authorisation of a beneficial owner required by subsection (1)(a) or (2)(a) is satisfied if the beneficial owner acknowledges in any agreement or document entered into with a registrant registered under section 51(1), participant or clearing agency, that securities owned by the beneficial owner may be kept by means of record entries with a clearing agency, whether entered into before or after the issue of a security contemplated in this section.

(4) A written confirmation referred to in subsection (1)(b) or (2)(b) is, in the absence of evidence to the contrary, proof that the person named in the confirmation is the beneficial owner of the securities described therein.

121. (1) Immediately after receipt of a security certificate from a participant, a clearing agency shall deliver the certificate to the issuer and request the transfer of the securities evidenced by the certificate to the clearing agency.

Transfer of securities through clearing agency. [9 of 2014].

(2) Where a clearing agency presents a security certificate in proper form to an issuer and requests a transfer to it of the securities evidenced by the certificate, the issuer shall, if it has a duty to register the transfer, immediately enter the transfer

in its securities register and deliver to the clearing agency a security certificate representing the securities and showing the clearing agency as registered owner.

(3) An issuer may, instead of issuing a security certificate under subsection (2), transfer a security to a clearing agency as the registered owner by means of record entries if—

- (a) the issuer has written authorisation signed by or on behalf of the beneficial owner of the security;
- (b) the transfer is further evidenced by a written confirmation executed by the clearing agency and sent at once by the issuer to the beneficial owner of the security or his agent; and
- (c) the transfer is recorded at once by the issuer in the securities register of the issuer and the records of the clearing agency.

(4) The requirement to obtain the written authorisation of a beneficial owner required by subsection (3)(a) is satisfied if the beneficial owner acknowledges in any agreement or document entered into with a registrant registered under section 51(1), participant or clearing agency, that securities owned by the beneficial owner may be kept by means of record entries with a clearing agency, whether entered into before or after the issue of a security contemplated in this section.

(5) A written confirmation referred to in subsection (3)(b) is, in the absence of evidence to the contrary, proof that the person named in the confirmation is the beneficial owner of the securities described therein.

Transfer by
record entry
participants.

122. (1) On receipt of instructions in writing from a participant and, if the account of the participant is blocked, from the person who exercises control over it, a clearing agency shall in accordance with those instructions, effect a transfer of a security or any interest therein from the participant to another participant by making an entry in its records.

(2) Where—

- (a) a security shown in the records of a clearing agency is evidenced by a security certificate

identifying the clearing agency as the registered owner and that security certificate is in the custody of the clearing agency; or

- (b) the clearing agency is the registered owner of the security by means of record entries contemplated by section 120(2) or 121(3),

then, on receipt of instructions in writing from a participant and, if the account of the participant is blocked, from the person who exercises control over it, a clearing agency shall in accordance with those instructions, effect a transfer of a security or any interest therein from one beneficial owner to another beneficial owner by making an appropriate entry in its records in addition to any other method permitted by law, and such transfer shall have the effect of transferring all rights, title and interest in such security to the beneficial owner.

123. (1) A clearing agency shall establish a procedure whereby it or an interested person may exercise control over an account of the participant in the clearing agency where—

Blocked account.

- (a) the interested person is, in relation to a security in the account of the participant, a beneficial owner, a pledgee, or a judgment creditor of the beneficial owner; or
- (b) a security in the account of the participant is subject to a lien in favour of its issuer or to a restriction or constraint on its transfer.

(2) Subject to section 132(3), a clearing agency shall not transfer, deliver or otherwise deal with a security in a blocked account without instructions in writing from the person who exercises control over it.

124. (1) On receipt of instructions in writing from a participant and, if the account of the participant is blocked, from the person who exercises control over it, a clearing agency shall, in accordance with the instructions, effect a transfer by way of pledge of a security from the participant to a pledgee by making an entry in its records to block an account in the name of the participant in favour of the pledgee for the amount of the debt or other obligation or the number of securities pledged.

Effecting pledge by record entry.

(2) On receipt of instructions in writing from a pledgee in whose favour an account is blocked under subsection (1) stating that he is entitled to realise the securities in the blocked account, a clearing agency shall, in accordance with the instructions, transfer the securities unless—

- (a) it knows that the pledgee is not entitled to realise the securities; or
- (b) its procedure established pursuant to section 123 specifies otherwise.

(3) A clearing agency is not liable for any loss resulting from compliance with the instructions of a pledgee under subsection (2) unless the clearing agency knows before the transfer that the pledgee is not entitled to the securities.

Effecting
blocked
account by
record entry.

125. On receipt of instructions in writing from a participant and a beneficial owner of a security, a clearing agency shall, in accordance with the instructions, make an entry in its records to block an account in the name of the participant in favour of the beneficial owner or in favour of a person who acts on his behalf.

Security
subject to
restriction.

126. (1) A clearing agency may refuse to open an account in respect of a security that is subject to—

- (a) a lien in favour of its issuer; or
- (b) a restriction or constraint on its transfer, whether statutory or otherwise.

(2) A clearing agency may, with respect to a security referred to in subsection (1), make an entry in its records to block an account in the name of a participant in favour of the clearing agency or an interested person.

Blocking
account by
Court order.

127. (1) On the application of a creditor who has a judgment against a beneficial owner of a security held by a clearing agency, the Court may order the clearing agency to make an entry in its records to block an account in the name of the beneficial owner or his agent in favour of the judgment creditor for the amount or number of securities mentioned in the order.

(2) On receipt of an order of, or instructions in writing from the Court or an officer thereof stating that a judgment

creditor in whose favour an account is blocked under subsection (1) is entitled to realise a security in the blocked account, a clearing agency shall transfer the security in accordance with the order or instructions.

(3) On the application of a person who in an action or an application under section 134 claims to be entitled to a security held for a beneficial owner in a clearing agency, the Court may order the clearing agency to make an entry in its records to block the account in the name of the beneficial owner or his agent in favour of the claimant for the amount or number of securities mentioned in the order.

(4) A clearing agency is not liable for any loss resulting from compliance with an order or instructions received under subsections (1) to (3).

128. A participant has no right to pledge, transfer or otherwise deal with a security held by a clearing agency except through the facilities of the clearing agency.

Limitation on rights of participants.

129. (1) On the receipt of a demand in writing from a participant for whom a security is held, other than in securities held in a blocked account, for withdrawal of that security, a clearing agency shall, within a reasonable time, subject to any proceedings under section 134, obtain and deliver to the participant a security certificate in his name or a name designated by him evidencing the security.

Withdrawal of security.

(2) On receipt of instructions in writing from a clearing agency that is the registered owner of securities to deliver a security certificate to it, the issuer of the security shall immediately deliver the certificate to the clearing agency in accordance with its instructions.

130. (1) Where a clearing agency is the registered owner of a class of securities of an issuer that proposes to close its securities register or fix a record date in respect of the class for the purpose of determining security holders entitled—

Issuer's duty to request list of participants and beneficial owners.

(a) to receive notice of, or to vote at, a meeting of security holders;

- (b) to receive payment of a dividend or interest; or
- (c) to participate in a liquidation distribution,

or for any other purpose, the issuer shall give the clearing agency notice of its intention to close its securities register or fix a record date.

(2) The notice referred to in subsection (1) shall request from the clearing agency a list of the names of the participants and beneficial owners for whom the clearing agency and the participants hold securities of the class mentioned in that subsection made up as of the date on which it proposes to close its register or fix a record date.

(3) On receipt of a demand in writing from an issuer for a list of the names of participants and beneficial owners for whom it and the participants hold securities of a class issued by the issuer, a clearing agency shall within ten business days provide the issuer with a list setting out—

- (a) the names and addresses of; and
- (b) the number or amount of securities of the class held for,

each such participant and beneficial owner made up as of the date specified in the demand.

(4) On receipt of a demand from an issuer under subsection (3), a clearing agency shall send notice of the demand to each participant.

(5) A participant that receives a notice sent pursuant to subsection (4) shall within five business days—

- (a) furnish to the clearing agency a list containing the names and addresses of all beneficial owners for whom the participant holds the securities and the number or amount of securities of the class so held; and
- (b) instruct the clearing agency to furnish the list to the issuer.

(6) Where a participant receives a notice sent pursuant to subsection (4), but does not provide a clearing agency or the issuer with a list of all the beneficial owners for whom it holds

securities referred to in the notice, the participant shall at its own expense obtain from the issuer and send to each beneficial owner, who is not included in the list and who has not instructed it otherwise in writing, any dividend or interest or any document that the issuer wishes to send to its security holders.

(7) A clearing agency that receives lists of participants and beneficial owners under subsection (5) shall, before it furnishes the lists to the issuer, consolidate them into one list in a form that does not disclose any connection between a beneficial owner and a participant, and the clearing agency may charge participants a reasonable fee for the consolidation.

(8) A clearing agency shall treat as confidential any information it receives under subsection (5) concerning the beneficial ownership of securities.

(9) After receipt of a demand in writing from an issuer that has received a list of participants and beneficial owners under subsection (3), a clearing agency shall provide the issuer with a current list made up as of a date subsequent to the demand showing any change in respect of the securities held for any participant or beneficial owner since the date as of which the list under subsection (3) was made up.

(10) An issuer is entitled to obtain free of charge from a clearing agency in any one calendar year four lists of participants and beneficial owners under subsection (3) with respect to each class of securities held by the clearing agency, and the issuer shall pay the clearing agency a reasonable amount for—

- (a) any additional cost attributable to a demand for a list made after the date when the issuer closed its securities register or fixed a record date; or
- (b) any additional list.

(11) An issuer is entitled to presume that a person named in a list obtained under this section is the beneficial owner of the securities of the issuer referred to in the list.

131. After submitting a request in writing to a clearing agency, a beneficial owner of a security of an issuer and the beneficial owner's agent may during usual business hours,

Access to
clearing agency
records.

examine a list delivered to an issuer under section 130(9) that relates to any securities of the issuer held by it and may also make extracts therefrom without charge, and any other person may do so upon payment of a reasonable fee.

Incorrect entry
by clearing
agency.

132. (1) Subject to subsection (3), an incorrect entry made in the records of a clearing agency in connection with a transfer or pledge of a security by reason of its error has the same effect as a correct entry.

(2) Subject to subsection (3), a clearing agency is liable to compensate a person who incurs a loss as a result of an incorrect entry made in its records by reason of its error.

(3) Where a clearing agency by reason of its error makes an incorrect entry in its records transferring a particular class of security to a participant's account, the clearing agency may, to the extent that there are securities of that class in the account, correct the entry in whole or in part without the participant's consent.

Liability in
extraordinary
circumstances.

133. (1) Where a clearing agency is unable to effect a pledge or transfer of a security on its records because of an extraordinary event beyond its reasonable control, it is not liable to compensate a person who incurs a loss as a result of a delay in effecting the pledge or transfer.

(2) For the purposes of this section, an extraordinary event shall include, but not be limited to acts of God (including fire, explosion, flood, earthquake, tidal wave, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, riot, commotion, strike, go-slow, lockout or other industrial action leading to disorder.

Application to
Court to rectify
records.

134. (1) Where an entry is alleged to have been incorrectly made or retained in, or omitted or deleted from, the records of a clearing agency, other than in the circumstance outlined in section 132(3), the clearing agency or an interested person may apply to the Court for an order that the records be rectified.

(2) On an application under subsection (1), the Court may make any order it thinks fit including an order—

- (a) determining who is an interested person and the notice to be given to such a person;
- (b) dispensing with notice to any person;
- (c) determining the right of a party to the proceedings to have his name entered or retained in, or deleted or omitted from the records of, a clearing agency;
- (d) directing that the records of a clearing agency be rectified;
- (e) directing that a clearing agency make an entry in its records to block an account; or
- (f) compensating any person.

135. (1) A clearing agency may hold securities issued by the Central Bank of Trinidad and Tobago, a financial institution or a collective investment scheme that is authorised under the law applicable to it to deliver or transfer any securities held by it into custody of a clearing agency.

Participation by financial institutions. [9 of 2014].

(2) The Commission may prescribe that a corporation incorporated by or under an Act of Parliament may deliver or transfer any securities held by it into the custody of a clearing agency.

(3) The Commission may make an order approving any aspect of the operating system of a clearing agency that is not consistent with this Part.

PART IX

REPORTING BY PERSONS CONNECTED WITH ISSUERS

136. (1) A person who is connected to a reporting issuer as a result of section 4(3)(a) or (c) shall, within five business days of the day that he becomes connected to the reporting issuer, file a report in such form as the Commission may determine with the Commission disclosing any direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer by him.

Reports by certain connected persons. [9 of 2014].

- (2) A person—
- (a) who is connected to a reporting issuer as a result of section 4(3)(a) or (c); and
 - (b) whose direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer by him changes,

shall within five business days from the day on which the change takes place, file in such form as the Commission may determine, a report of direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer by him as of the day on which the change took place.

(3) No person to whom this section applies shall transfer or cause to be transferred any securities of the reporting issuer to which he is connected into the name of an agent, nominee or custodian, other than a clearing agency, without filing with the Commission a report in such form as the Commission may determine of such transfer except for a transfer for the purpose of giving collateral for a genuine debt.

(4) Notwithstanding subsection (1), a person is not required to file a report under this section where the person does not beneficially own, or exercise control or direction over, any securities of the reporting issuer.

(5) For the purposes of this section, a person has beneficial ownership of, or control or direction over, securities of a reporting issuer including—

- (a) securities which are third-party derivative securities related to the reporting issuer;
- (b) securities that are convertible or exchangeable for securities of a reporting issuer, whether or not on condition; or
- (c) rights to acquire or to subscribe for, or otherwise receive securities of a reporting issuer,

whether or not such securities are securities issued by the reporting issuer.

(6) Any person who files a report with the Commission under this section shall forthwith thereafter deliver a copy of the

report that he has filed with the Commission under this section to the reporting issuer.

137. (1) A reporting issuer may by notice in writing, require any holder of its securities within such reasonable time as is specified in the notice being not less than ten days—

Disclosure of
beneficial
interest in share
capital.

- (a) to indicate in writing the capacity in which he holds any securities of the reporting issuer; and
- (b) where he holds them otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge, the person who has an interest in them, either by name and address or by other particulars sufficient to enable that person to be identified, and the nature of that person's interest.

(2) Where a reporting issuer is informed in pursuance of a notice given to any person under subsection (1) or paragraph (b) of this subsection, that any other person has an interest in any securities of the reporting issuer, the reporting issuer may, by notice in writing, require that other person within such reasonable time as specified in the notice being not less than ten days—

- (a) to indicate in writing the capacity in which he holds that interest; and
- (b) where he holds that interest otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge, the person who has an interest in it, either by name and address or by other particulars sufficient to enable him to be identified, and the nature of that person's interest.

(3) Any reporting issuer may, by notice in writing, require any holder of its securities to indicate in writing, within such reasonable time as is specified in the notice being not less than ten days, whether any of the voting rights carried by any securities of the issuer held by him are the subject of an agreement or arrangement under which another person is entitled

to control his exercise of those rights and, if so, to give so far as it lies within his knowledge, written particulars of the agreement or arrangement and the parties to it.

(4) Where a reporting issuer is informed in pursuance of a notice given to any person under subsection (3) or this subsection that any other person is a party to such agreement or arrangement as is mentioned in subsection (3), the reporting issuer may, by notice in writing, require that other person within such reasonable time as is specified in the notice being not less than ten days, to give so far as it lies within his knowledge, written particulars of the agreement or arrangement and the parties to it.

(5) Whenever a reporting issuer receives information from a person in pursuance of a requirement imposed on him under this section, it shall keep a record of—

- (a) the fact that the requirement was imposed and the date on which it was imposed; and
- (b) the information received in pursuance of the requirement.

(6) The Commission may request that a reporting issuer deliver to it a copy of the record kept by the reporting issuer under subsection (5).

Offences.
[9 of 2014].

138. Any person who contravenes section 136(1), 136(2) or 136(3), or who, in purporting to comply with section 136(1), 136(2) or 136(3), makes a statement or files a report which he knows to be false, or recklessly makes a statement or files a report which is false, or knowingly or recklessly fails to supply any particulars which he is required to supply, commits an offence and is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for two years.

PART X

CIVIL LIABILITY

Liability for
misrepresenta-
tion in
prospectus,
damages.
[9 of 2014].

139. (1) Subject to this section, a purchaser who purchases a security distributed under a prospectus has a right of action for damages against each of the following persons for any loss or damage sustained by him by reason of any misrepresentation in

the prospectus and each such person shall be liable for any such loss or damage, namely:

- (a) the issuer or the selling security holder on whose behalf the distribution is made;
- (b) a person who is a director of the issuer at the date of the filing of the prospectus;
- (c) a person who authorised or caused himself to be named, and is named, in the prospectus as a director or as having agreed to become a director, either immediately preceding the date of filing of the prospectus or after an interval of time thereafter;
- (d) where the issuer is not a reporting issuer prior to the distribution, any person who was a promoter of the issuer within the twenty-four month period immediately preceding the date of filing of the prospectus;
- (e) a person whose consent has been filed as required by section 78 but only with respect to misrepresentations in a prospectus derived from, or based on, reports, opinions, valuations or statements that have been made by such person; and
- (f) any other person who signed a certificate in the prospectus other than a person referred to in paragraphs (a) to (e) of this subsection.

(2) No person, other than the issuer or the selling security holder on whose behalf the distribution is made, is liable under subsection (1) if—

- (a) having consented to become a director of the issuer, he withdrew his consent before the filing of the prospectus and the prospectus was filed without his authority or consent;
- (b) when the prospectus was filed without his knowledge or consent, he gave reasonable public notice of that fact forthwith after becoming aware of it;

- (c) after the filing of the prospectus and before the sale of securities under it, he became aware of a misrepresentation and withdrew his consent, and gave reasonable public notice of the withdrawal of the consent and the reasons for it; or
 - (d) as regards every misrepresentation, not purporting to be made on the authority of an expert or a public official document or statement, he had conducted such reasonable investigation as to provide reasonable grounds to believe and did believe, up to the time of the distribution of the securities, that the prospectus did not contain a misrepresentation.
- (3) No person is liable under subsection (1)—
 - (a) where, as regards a misrepresentation in a prospectus made by an expert or based on a report, opinion, valuation, or statement made or prepared by an expert—
 - (i) the misrepresentation fairly represented and was a correct and fair copy of, or extract from, the report, opinion, valuation or statement of the expert; and
 - (ii) that person had reasonable grounds to believe and did believe, up to the time of the filing of the prospectus, that the expert making the statement or preparing the report, opinion or valuation was competent to make it, had given his consent as required under section 78 and had not withdrawn that consent before delivery of a copy of the prospectus for filing, nor had the expert, to the knowledge of the person, withdrawn that consent before the sale of any securities under the prospectus;
 - (b) if the purchaser bringing the action knew of the misrepresentation at the time of the purchase; or

(c) if, as regards a misrepresentation purporting to be a statement made by a public official or contained in what purports to be a copy of, or extract from, a public official document, the misrepresentation was a correct and fair representation of the statement or a copy of, or extract from, the document.

(4) The liability of all persons referred to in subsection (1) is joint and several as between themselves with respect to the same cause of action.

(5) A person who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable under this section to make the same payment in the same cause of action unless, in all the circumstances of the case, the Court is satisfied that it would not be just and equitable.

(6) Notwithstanding subsections (4) and (5), no underwriter is liable for more than the portion of the total public offering price represented by the distribution of securities underwritten, sold by, or to the underwriter.

(7) In this section, a purchaser who purchases a security distributed under a prospectus shall be deemed to have relied on the prospectus at the time of making the purchase.

140. (1) Subject to this section, a purchaser who purchases a security distributed under a prospectus has a right of action against the issuer or the underwriter that has sold securities to such purchaser under such prospectus for the rescission of the sale and the repayment to such purchaser of the price that has been paid in respect of the security if the prospectus contained a misrepresentation, provided that if the purchaser elects to exercise a right of action for rescission against the issuer or underwriter under this section, such purchaser shall have no right of action for damages against such issuer or underwriter under section 139.

Action by purchasers for rescission for misrepresentation in a prospectus.

(2) In an action brought under this section or section 139, the purchaser bringing such action need not prove that he was in

fact influenced by the misrepresentation or that he relied on the misrepresentation in purchasing the security.

(3) No person shall be liable under subsection (1) if the purchaser bringing the action knew of the misrepresentation at the time of the purchase.

(4) This section applies to securities sold under a prospectus that offers them for subscription in consideration of the transfer or surrender of other securities, whether with or without the payment of cash by, or to the issuer, as though the issue price of the securities offered for subscription were the fair value, as ascertained by the Court, of the securities to be transferred or surrendered, plus the amount of cash, if any, to be paid by the issuer.

Liability for misrepresentation in other offering document.

141. (1) Subject to this section, where an offering document, other than a prospectus, contains a misrepresentation, a purchaser who purchased a security in reliance on the offering document has a right of action for damages against the issuer and the selling security holder on whose behalf the distribution is made.

(2) For the purposes of this section, “offering document” means any document purporting to describe the business and affairs of an issuer which has been prepared primarily for delivery to and review by a prospective purchaser so as to assist such purchaser in making an investment decision, but does not include a prospectus or general advertisement.

(3) In this section, a purchaser who receives an offering document whether prior to or following the purchase of a security shall be deemed to have relied on the offering document in making his investment decision.

Civil liability for trading contrary to section 100.

142. (1) Subject to this section, a purchaser of a security has—

- (a) a right of action for damages against the seller and such seller shall be liable for any losses or damages sustained; or
- (b) a right of action for rescission against the seller for rescission of the transaction,

where the seller has made the sale to the purchaser contrary to section 100.

- (2) Subject to this section, a seller of a security has—
- (a) a right of action for damages against the purchaser and such purchaser shall be liable for any losses or damages sustained; or
 - (b) a right of action for rescission against the purchaser for rescission of the transaction,

where the purchaser has made the purchase from the seller contrary to section 100.

(3) A person may bring an action under subsection (1) or (2) in respect of a contravention referred to in subsection (1) or (2) even though the person against whom the action is brought has not been charged with or convicted of an offence by reason of the contravention.

(4) Every person who is a director, senior officer or employee of a reporting issuer that trades contrary to section 100 is accountable to the reporting issuer for any benefit or advantage received or receivable by the person or company as a result of the contravention of section 100, unless the person proves that he reasonably believed that the material non-public information had been published.

(5) No person shall be liable under this section if the person bringing the action violated section 100 in respect of the trade that is the subject of the action.

143. (1) Subject to this section—

- (a) a person who contravenes section 91, 92, 93, 94, 95, 96 or 98, whether or not he also incurs any other liability, shall be liable to pay compensation by way of damages to any other person for any loss sustained by the other person as a result of the contravention, whether or not the loss arises from the other person having entered into a transaction or trading at a price affected by the contravention; and
- (b) each person who sustained a loss as a result of the contravention by a person of section 91, 92,

Civil liability
for market
misconduct
offences.

93, 94, 95, 96 or 98, whether or not the loss arises from the other person having entered into a transaction or trading at a price affected by the contravention, has a right of action under paragraph (a) against the contravening person.

(2) A person may bring an action under subsection (1) in respect of a contravention set forth in subsection (1)(a) even though the person against whom the action is brought has not been charged with or convicted of an offence by reason of the contravention.

Commission may seek leave to appear or intervene in an action.

144. (1) The Commission may apply to a judge of the High Court for leave to bring an action under this Part in the name and on behalf of an issuer or security holder and the judge may grant leave on any terms that he considers proper if the judge is satisfied that—

- (a) the Commission has reasonable grounds for believing that a cause of action exists under this Part;
- (b) the issuer or security holder has failed or is unable to commence an action; and
- (c) the Commission has given sixty days written notice to the issuer or security holder who has refused or failed to commence an action.

(2) The Commission may apply to a judge of the High Court for leave to appear or intervene in an action under this Part and the judge may grant leave on such terms as he considers appropriate.

(3) The Commission may publish a summary of the terms of any settlement of an action commenced or intervened in by it in a regular periodical published by it, or in two daily newspapers of general circulation in Trinidad and Tobago.

Non-derogation of rights.

145. The right of action for damages conferred by this Part shall not be in derogation of any other right a person may have.

PART XI

GENERAL PROVISIONS AND ENFORCEMENT

DIVISION 1—GUIDELINES AND BYE-LAWS

146. (1) The Commission may, in consultation with the Minister, issue Guidelines on any matter it considers necessary to—

- (a) give effect to this Act;
- (b) enable the Commission to perform its functions;
- (c) aid compliance with the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law which may be administered or supervised by the Commission which may be in force from time to time; and
- (d) regulate the market conduct of market actors.

(2) Guidelines issued under this section shall not be regarded as a statutory instrument.

(3) Contraventions of a Guideline referred to in subsection (1) shall not constitute an offence, but this shall not prevent the Commission from taking action under section 90.

147. (1) Before making or amending Guidelines referred to in section 146, the Commission shall, in consultation with the Minister, issue draft Guidelines or draft amendments thereof and shall consult with the market actors and other relevant stakeholders who may be affected by the draft Guideline or amendment.

(2) Where, in the opinion of the Commission, any matter proposed to be dealt with in Guidelines or by an amendment thereof has become urgent, the Commission shall proceed to issue the Guidelines or amendment thereof, without following the process referred to in subsection (1), which Guidelines shall be effective for ninety days, unless replaced by Guidelines issued pursuant to subsection (1).

Bye-laws.
[9 of 2014].

148. (1) The Minister may, on the recommendation of the Commission, make Bye-laws—

- (a) prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and in respect of the suspension, revocation, cancellation or reinstatement of registration of registrants and self-regulatory organisations;
- (b) prescribing categories or sub-categories of registrants, classifying registrants into categories or sub-categories and prescribing the conditions of registration, or other requirements for registrants or any category or sub-category, including—
 - (i) standards of practice and business conduct of registrants in dealing with their clients and prospective clients;
 - (ii) standards of conduct in relation to a client of a registrant to prevent conflicts of interest or ensure the fair treatment of clients;
 - (iii) standards for the conduct of a registrant in relation to the custody or lending of any money or security held for a client;
 - (iv) requirements in respect of membership by a registrant in a self-regulatory organisation;
 - (v) standards of conduct of a registrant who is not a member of a self-regulatory organisation;
 - (vi) the making, keeping and retention of books and records by a registrant, including the keeping and filing of a record of trades executed by the registrant through the facilities of a securities market;
 - (vii) requirements for a registrant to obtain and maintain indemnity insurance, the terms and conditions of indemnity insurance, and the amount of indemnity insurance to be obtained and maintained;

- (viii) requirements and standards of conduct for registrants to document and record cash transactions, and to comply with the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law which may be administered or supervised by the Commission which may be in force from time to time; Ch. 11:27.
 - (ix) standards for the conduct of a registrant who exercises investment discretion with respect to a client account, including disclosure to the client of the policies and practices relating to the payment of commissions for trades in securities;
 - (x) minimum and ongoing capital requirements for registrants; and
 - (xi) filing information in respect of missing, lost, counterfeit or stolen securities or securities which are in the custody or control of the registrant, or are his responsibility;
- (c) prescribing the terms and conditions of policies of insurance and the amount of such insurance which registrants shall be required to obtain and maintain against any liability that may be incurred as a result of any act or omission of the registrant or any of its officers or employees;
- (d) extending any requirements prescribed for registrants to unregistered partners, salespersons, employees, and senior officers of registrants;
- (e) prescribing requirements in respect of the residence in Trinidad and Tobago of registrants;
- (f) prescribing requirements for persons in respect of calling at, telephoning or delivering correspondence to, or otherwise communicating by any means, including electronic means, at residences for the purposes of trading in securities or providing investment advice;

- (g) prescribing requirements in respect of the disclosure or furnishing of information to the public or the Commission by registrants or providing for exemptions from or varying the requirements under this Act in respect of the disclosure or furnishing of information to the public or the Commission by registrants;
- (h) providing for exemptions from the registration requirements under this Act or for the removal of exemptions from those requirements and prescribing when an issuer of securities may be required to register as a broker-dealer;
- (i) prescribing requirements in respect of the books, records and other documents required to be kept by registrants, self-regulatory organisations and other market actors, including the form in which and the period for which the books, records and other documents are to be kept;
- (j) regulating all aspects of the listing or trading of securities on a securities market including requiring reporting of trades and quotations;
- (k) regulating self-regulatory organisations, including prescribing requirements in respect of the review or approval by the Commission of any Bye-law, Rule, Regulation, Policy, Procedure, Guideline, Interpretation or Practice of the self-regulatory organisation;
- (l) regulating all aspects of the operation in Trinidad and Tobago of self-regulatory organisations which are organised under the laws of another jurisdiction;
- (m) regulating trading or advising in securities to prevent trading or advising that is fraudulent, manipulative, deceptive or unfairly detrimental to investors;
- (n) prescribing categories or sub-categories of issuers for the purposes of the prospectus requirements under this Act and classifying issuers into categories or sub-categories;

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- (o) to facilitate, expedite or regulate the distribution of securities or the issuing of receipts for prospectuses, including by establishing—
- (i) requirements in respect of distributions of securities by means of a prospectus incorporating other documents by reference;
 - (ii) requirements in respect of distributions of securities by means of a simplified or summary prospectus or other form of disclosure or offering document;
 - (iii) requirements in respect of distributions of securities on a continuous or delayed basis;
 - (iv) provisions for the incorporation by reference of certain documents in a prospectus and the effect, including from a liability and evidentiary perspective, of modifying or superseding statements;
 - (v) requirements for the form of a prospectus certificate, including providing for alternative forms;
 - (vi) provisions for eligibility requirements to obtain a receipt for, or distribute under, a particular form of prospectus and the loss of that eligibility; and
 - (vii) provisions for rights of investors;
- (p) designating activities, including the use of documents or advertising, in which registrants or issuers are permitted to engage or are prohibited from engaging in connection with distributions;
- (q) providing for exemptions from the prospectus requirements under this Act and for the removal of exemptions from those requirements;
- (r) prescribing the circumstances in which the Commission shall refuse to issue a receipt for a prospectus and prohibiting the Commission from issuing a receipt in those circumstances;

- (s) prescribing requirements in respect of the preparation and dissemination and other use, by reporting issuers, of documents providing for continuous disclosure that are in addition to the requirements under this Act, including requirements in respect of—
 - (i) an annual report; and
 - (ii) supplemental analysis of financial statements;
- (t) exempting reporting issuers from any requirement of this Act under specified circumstances, including that the reporting issuer is subject to oversight in a designated foreign jurisdiction;
- (u) requiring issuers or other persons to comply, in whole or in part, with continuous disclosure requirements under this Act made in respect thereof;
- (v) regulating the distribution, sale and trading of asset-backed securities;
- (w) prescribing requirements in respect of financial accounting, financial reporting and auditing for the purposes of this Act, including—
 - (i) defining acceptable accounting principles and auditing standards;
 - (ii) financial reporting requirements for the preparation and dissemination of future-oriented financial information and *pro forma* financial statements;
 - (iii) standards of independence and other qualifications for auditors;
 - (iv) requirements respecting a change in auditors by a self-regulatory organisation or a registrant; and
 - (v) requirements respecting a change in the financial year of an issuer or in an issuer's status as a reporting issuer under this Act;

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- (x) regulating take-over bids and related party transactions including issuer bids, insider bids, and going-private transactions and varying the requirements of this Act in respect thereof, including—
- (i) the level of acquisition of voting rights by a person or persons acting in concert at which an offer to all holders of securities of the class shall become mandatory and the conditions applying to such offers;
 - (ii) the requirements of the offeror and offeree issuers in respect of information to be published to security holders of both issuers;
 - (iii) the requirements as regards equitable treatment of security holders of the same class or cash alternatives in offers or both;
 - (iv) the timing of offer procedures and circulation of documentation;
 - (v) conditions observable in the dealing of securities by the offeror or by persons in concert during the offer period and the reporting to the Commission of dealings in the shares of the offeree issuer during the take-over period;
 - (vi) the minimum period within which an unsuccessful offer may not be renewed; and
 - (vii) requirements to protect minority interests;
- (y) prescribing standards or criteria for determining when a material fact or material change has occurred or has been published;
- (z) prescribing periods under or varying or providing for exemptions from any requirement related to trading on material non-public information or market manipulation;

- (aa) regulating collective investment schemes and all aspects of the distribution and trading of the securities of collective investment schemes, including—
- (i) varying the prospectus requirements in this Act by prescribing additional disclosure requirements in respect of collective investment schemes and requiring or permitting the use of particular forms or types of prospectuses or additional offering or other documents in connection with the collective investment schemes;
 - (ii) prescribing permitted investment policy and investment practices for collective investment schemes and prohibiting or restricting certain investments or investment practices for collective investment schemes;
 - (iii) prescribing requirements governing the custodianship of assets of collective investment schemes;
 - (iv) prescribing minimum initial capital requirements for any collective investment schemes making a distribution and prohibiting or restricting the reimbursement of costs in connection with the organisation of collective investment schemes;
 - (v) prescribing matters affecting collective investment schemes that require the approval of security holders of a collective investment scheme or the Commission, including, in the case of security holders, the level of approval;

- (vi) prescribing requirements in respect of the calculation of the net asset value of collective investment schemes;
 - (vii) prescribing requirements in respect of the content and use of sales literature, sales communications or advertising, relating to the securities of collective investment schemes;
 - (viii) regulating sales charges imposed on purchasers of securities of collective investment schemes, and commissions or sales incentives to be paid to market actors in connection with the securities of collective investment schemes;
 - (ix) prescribing procedures applicable to collective investment schemes and any other person in respect of sales and redemptions of collective investment scheme, securities and payments for sales and redemptions; and
 - (x) prescribing requirements in respect of, or in relation to, promoters, managers, advisers or persons and companies who administer or participate in the administration of the affairs of collective investment schemes;
- (bb) prescribing requirements relating to the qualification of a registrant to act as an investment adviser to a collective investment scheme;
- (cc) with respect to foreign issuers to facilitate distributions, compliance with requirements applicable or relating to reporting issuers, and the making of take-over bids, issuer bids, insider bids, going-private transactions and related party transactions where the foreign issuers are subject to requirements of the laws of a designated foreign jurisdiction;

- (dd) requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents, instruments or information required under or governed by this Act and all documents, instruments or information determined to be ancillary to the documents;
- (ee) respecting the designation or recognition of any person, or jurisdiction if advisable for the purposes of this Act, including self-regulatory organisations;
- (ff) respecting the conduct of the Commission and its employees in relation to duties and responsibilities and discretionary powers under this Act, including the conduct of investigations, reviews and examinations and the conduct of hearings;
- (gg) prescribing the fees payable to the Commission, including those for filing, for applications for registration or exemptions, for trades in securities, in respect of audits made by the Commission, and in connection with the administration of this Act;
- (hh) establishing requirements for, and procedures in respect of the use of an electronic or computer-based system for the filing, delivery, furnishing or deposit of—
 - (i) documents, instruments or information required under or governed by this Act; and
 - (ii) documents, instruments or information determined to be ancillary to documents required under or governed by this Act;
- (ii) to permit or require the use of an electronic or computer-based system for the filing, delivery, furnishing or deposit of documents, instruments or information required under, or governed by, this Act, or determined to be ancillary to such documents, instruments or information;

- (jj) prescribing the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose of this Act;
- (kk) specifying the conditions under which any particular type of trade that would not otherwise be a distribution shall be a distribution;
- (ll) to permit or require methods of filing or delivery, to or by the Commission, issuers, registrants, security holders or others, of documents, information, notices, books, records, things, reports, orders, authorisations or other communications required under or governed by this Act;
- (mm) providing for exemptions from or varying the requirements under this Act in respect of amendments to prospectuses, or prescribing circumstances under which an amendment to a prospectus shall be filed;
- (nn) regulating trading in securities that have been distributed but are not listed on a securities market;
- (oo) providing for standards in respect of the governance of market actors including requirements for directors;
- (pp) establishing requirements for registrants and self-regulatory organisations to appoint audit committees and prescribing requirements relating to their functions, responsibilities, composition, the independence of their members, the qualifications of their members and their review of an audit;
- (qq) prescribing, providing for exemptions from, or varying any or all of the periods in this Act;

- (rr) prescribing requirements in respect of a fund to be maintained by a self-regulatory organisation under this Act, including the—
 - (i) participants in a fund;
 - (ii) contributors to a fund;
 - (iii) amount of contributions to a fund; and
 - (iv) claimants, or class of potential claimants, in a fund;
- (ss) prescribing requirements in respect of preparation and dissemination of continuous disclosure or other documents or information to holders of debt securities of a reporting issuer;
- (tt) prescribing requirements in respect of derivatives including determining when a contract or an instrument is or is not a derivative;
- (uu) prescribing requirements in respect of the establishment, recognition, registration and regulation of securities markets; and
- (vv) prescribing requirements in respect of the registration and regulation of financial groups.

(2) In addition to subsection (1), the Minister may, on the recommendation of the Commission, make Bye-laws in respect of any other matter necessary for carrying out the purposes of this Act.

(2A) Bye-laws made under this Act may prescribe penalties not exceeding five hundred thousand dollars for breaches committed thereunder.

(3) Bye-laws made under this Act shall be subject to negative resolution of Parliament.

(4) The Commission may establish a committee under section 16 to administer the Bye-laws made under subsections (1) and (2) and may make Rules for the conduct of the business of that committee.

149. (1) The Commission shall publish in accordance with subsection (1A), at least thirty days before the proposed effective date thereof—

Publication of proposed Bye-laws. [9 of 2014].

- (a) a copy of any Bye-law that it proposes to recommend to the Minister;
- (b) a concise statement of the substance and purpose of the proposed Bye-law; and
- (c) a reference to the authority under which the Bye-law is proposed.

(1A) The Commission shall satisfy the requirements of subsection (1) by publishing in the *Gazette* and—

- (a) publishing in two daily newspapers of general circulation in Trinidad and Tobago; or
- (b) posting on the website of the Commission and issuing a notice in two daily newspapers of general circulation in Trinidad and Tobago notifying the public of such posting.

(2) After a proposed Bye-law is published in accordance with subsection (1A), the Commission shall afford a reasonable opportunity to interested persons to make representations with respect to the proposed Bye-law.

(3) ***(Repealed by Act No. 9 of 2014).***

(4) The Commission is not required to comply with subsections (1), (1A) and (2) if—

- (a) all persons who will be subject to the Bye-law are named and the information required by subsection (1)(a) to (c) is sent to each of them;
- (b) the Bye-law only grants an exemption or relieves a restriction and is not likely to have a substantial impact on the interests of persons other than those who benefit under it;
- (c) the Bye-law makes no material substantive change in an existing Bye-law; or
- (d) the Commission for good cause finds that compliance with subsections (1), (1A) and (2)

is impracticable or unnecessary and publishes the finding and a concise statement of the reasons for it.

(5) Any person may petition the Commission to recommend the making, amendment or revocation of a Bye-law.

(6) The Minister may, on the recommendation of the Commission, make urgent Bye-laws to regulate conditions in the market that require regulation as a matter of urgency, without following the process referred to in subsections (1) and (2), which Bye-laws shall be effective for ninety days, unless replaced by Bye-laws issued pursuant to subsections (1) and (2).

DIVISION 2—INVESTIGATIONS

Investigations
by the
Commission.
[9 of 2014].

150. (1) The Commission may appoint a person to conduct such investigations as it considers expedient—

- (a) to ascertain whether any person has contravened, is contravening or is about to contravene this Act; or
- (b) to assist in the administration of securities laws or the regulation and supervision of the securities industry in another jurisdiction.

(2) A person appointed under subsection (1) may examine and inquire into—

- (a) the affairs of a person in respect of which the investigation is being conducted, including any trades, communications, financial affairs, negotiations, transactions, investigations, loans, borrowings or payments to, by, or on behalf of, or in relation to, or connected with, the person and any property, assets or things owned, acquired, or alienated in whole or in part by the person or by any other person acting on its behalf; and
- (b) the assets at any time held, the liabilities, debts, undertakings and obligations at any time existing, the financial or other conditions at any time prevailing in or in relation to or in

connection with the person and any relationship that may at any time exist or have existed between the person and any other person by reason of investments, commissions promised, secured or paid, interest held or acquired, the loaning or borrowing of money, stock or other property, the transfer, negotiation or holding of securities or any other relationship.

(3) Notwithstanding any other written law a person appointed by the Commission pursuant to subsection (1) may examine and make copies of, or remove from the premises, all such books, records and documents or other things relating to the subject of the investigation within the scope of subsection (2) whether or not they are in the possession or control of the person in respect of which the investigation is ordered or of any other person.

(4) Notwithstanding any other written law, a person appointed by the Commission pursuant to subsection (1) may, for the purposes of the examination to be conducted under subsection (3), enter the place of business of any person or entity, for the purpose of examining or reviewing books, records, documents or other things relating to the subject of the investigation within the scope of subsection (2) during normal business hours if the occupier of the place of business consents or pursuant to an order under subsection (5).

(5) Notwithstanding subsection (4), the Commission may, at any time if the circumstances so require, apply to a judge of the High Court for an *ex parte* order authorising a person appointed under subsection (1) to enter the premises of a person at any time to conduct an examination under subsection (3).

(6) A person appointed by the Commission pursuant to subsection (1), shall provide the Commission with a full and complete written report of the investigation including any transcript of statements and any material in his possession relating to the investigation.

(7) The Commission may publish a report or other information concerning an investigation under this section, but if it intends to do so, it shall—

- (a) provide a person against whom an adverse finding is to be made with fourteen days notice of the finding and an opportunity to be heard in person or by an attorney-at-law; and
- (b) if practicable, provide a person who is likely to receive adverse publicity with advance notice of the publication and a reasonable opportunity to prepare a response prior to publication.

(8) Any book, record or document removed under subsection (3) shall be returned to the person from whom or to the premises from which it was removed as soon as practicable.

(9) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

(10) Proceedings under subsections (3) and (4) shall be held *in camera*.

Power to obtain information and documents. [9 of 2014].

151. (1) Notwithstanding any other written law, if the Commission considers it necessary or desirable for the purposes of performing or exercising its functions, powers, or duties under this Act or to assist in the administration of securities laws or the regulation and supervision of the securities industry in another jurisdiction it may, by written notice, served on any person, require the person—

- (a) to supply to the Commission, within the time and in the manner specified in the notice, any book, record, document, information or class of information specified in the notice;
- (b) to produce to the Commission, or to a person specified in the notice acting on its behalf in accordance with the notice, any book, record, document, information or class of information specified in the notice (within the time and in the manner specified in the notice);

- (c) if necessary, to reproduce, or assist in reproducing, in usable form, information recorded or stored in any book, record, document or class of documents specified in the notice (within the time and in the manner specified in the notice); or
- (d) to appear before the Commission, or a specified person, at a time and place specified in the notice to provide information, either orally or in writing, and produce any book, record, document or class of documents specified in the notice.
- (2) Information supplied in response to a notice under subsection (1)(a) shall be—
- (a) given in writing; and
- (b) signed in the manner specified in the notice.
- (3) If a book, record or document is produced in response to a notice under subsection (1), the Commission, or the person to whom the book, record or document is produced may examine and make copies of the book, record or document or extracts thereof.
- (4) The Commission may require a person to give, orally or in writing, information on oath or affirmation and may administer an oath or affirmation at any place.
- (5) A person who provides information under this section may be represented by an Attorney-at-law and may claim any privilege to which the person is entitled.
- (6) Where a person who is required to attend or give information fails or refuses to attend or provide information, the Commission may make an application to the High Court to compel the person to do so.
- (7) Proceedings under subsection 4 shall be held *in camera*.
- (8) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

Restrictions on withholding or concealing. [9 of 2014].

152. A person who without reasonable excuse alters, suppresses, conceals, destroys or refuses to produce any document which he has been required to produce in accordance with this Act or any regulation thereunder, or which he is liable to be so required to produce, commits an offence and is liable on summary conviction to a fine of ten million dollars and to imprisonment for ten years.

Protection of persons providing information.

153. Notwithstanding any other written law, no duty to which a person may be subject shall be regarded as breached by reason of his communication in good faith to the Commission, of any information or opinion on a matter which is relevant to any function of the Commission under this Act, whether or not in response to a request made by the Commission.

DIVISION 3—ORDERS OF THE COMMISSION

Power to order cessation of trading or distributions. [9 of 2014].

- 154.** (1) Where the Commission considers that—
- (a) a security is being traded in connection with a distribution contrary to this Act;
 - (b) a prospectus contains a misrepresentation;
 - (c) any of the circumstances specified under this Act as the basis for a refusal to issue a receipt for a prospectus exists; or
 - (d) an issuer, selling security holder or registrant fails to provide information, including financial statements relating to the issuer or the distribution, that is reasonably requested by the Commission,

the Commission may order, subject to such conditions as it considers appropriate, that all trading in connection with the distribution, cease at the time and for the period specified by the Commission.

- (2) Where the Commission considers that—
- (a) a material change relating to an issuer of a security has not been published;
 - (b) trading in a security or fluctuations in the price of a security requires explanation;

- (c) a reporting issuer has failed to comply with, or is in breach of, any provision of this Act; or
- (d) it is otherwise in the public interest or necessary for the protection of investors,

the Commission may order, subject to such conditions as it considers appropriate, that trading cease in respect of any security at the time and for the period specified by it.

(3) Where the Commission considers that it is in the public interest or necessary for the protection of investors, it may make an order prohibiting, subject to such conditions as it considers appropriate, a person who contravenes this Act from trading in securities or from trading a specified security.

(4) The Commission may make an order under subsection (1) or (3) without giving a person directly affected by the order an opportunity to make representations, but it shall provide an opportunity to make such representations within fifteen days of the making of the order, and the order shall remain in effect until a decision is made.

(5) The Commission may make an order under subsection (2) without giving a person directly affected by the order an opportunity to make representations, but it shall provide an opportunity to make such representations within fifteen days of the making of the order and the order remains in effect until a decision is made, unless the order was made pursuant to subsection (2)(a), in which case, the Commission may extend it until the material change is published and becomes public.

(6) The Commission shall forthwith give notice of an order under this section to—

- (a) each person named in the order;
- (b) the issuer of the security specified in the order;
- (c) any other person, the Commission believes is directly affected by the order; and
- (d) every registrant under section 51(1) if the order is made pursuant to subsection (1) or (2),

and shall publish a summary of the Order and the reasons therefor in accordance with section 159(12).

(7) No person shall trade in contravention of an order under this section.

Orders in the
public interest.
[9 of 2014].

155. (1) Where the Commission, on its own motion or on application by an interested person considers it to be in the public interest, it may order, subject to such conditions as it considers appropriate that—

- (a) a person comply with or cease contravening, or that the senior officers of the entity cause the entity to comply with or cease contravening—
 - (i) this Act;
 - (ii) an order of the Commission; or
 - (iii) a rule, direction, decision or order made under a rule of a self-regulatory organisation;
- (b) a person not act as a senior officer of a registrant or self-regulatory organisation;
- (c) a person—
 - (i) be prohibited from disseminating to the public, or authorising the dissemination to the public of, any information or record of any kind described in the order;
 - (ii) be required to disseminate to the public, by the method described in the order, any information or record relating to the business or affairs of the person that the Commission considers should be disseminated; or
 - (iii) be required to amend, in the manner specified in the order, any information or record of any kind described in the order before disseminating the information or record to the public or authorising its dissemination to the public;

- (d) a registrant or senior officer of a registrant be reprimanded or that the registration of a registrant be suspended or revoked in accordance with section 57 or 58;
- (e) a reprimand be issued to any person; or
- (f) a person, security, trade, distribution or registration be classified under Part III, IV or VI, and the requirement appropriate to the class be applied.
- (g) }
(h) } **(Deleted by Act No. 9 of 2014).**
(i) }
(j) }

(1A) 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—

- (a) that any exemption contained in this Act not apply to any person permanently or apply for such period as specified in the order;
- (b) that a registrant registered under section 51(1) submit to a review of his practices and procedures and institute such changes as may be ordered by the Commission;
- (c) that any person be exempted from any requirement of this Act;
- (d) that any documents submitted to another government agency be submitted to the Commission; or
- (e) respecting any other matter authorised by, or required to carry out the purposes of this Act.

(2) An order granting an exemption is effective against all persons but the Commission shall make an order revoking or modifying such an order when it finds that a determination reflected in it is no longer consistent with the facts.

(3) *(Repealed by Act No. 9 of 2014).*

Order for
administrative
fine.
[9 of 2014].

156. (1) Subject to subsection (2), and notwithstanding any other provision of this Act, where the Commission, after giving a person the opportunity to make oral or written representations, determines, that a person is in breach of this Act, the Bye-laws or an order of the Commission and considers it to be in the public interest, the Commission may order the person to pay an administrative fine not exceeding five hundred thousand dollars.

(2) Notwithstanding subsection (1), a 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.

(3) The Commission may make an order imposing an administrative fine under subsection (2) for the period beginning on the day following the expiration of the prescribed period and ending on the day that the fine is paid.

(4) A person who files a document or instrument with the Commission after the expiration of the period prescribed, may in writing request an opportunity to make representations to the Commission in accordance with subsection (1).

(5) Every administrative fine imposed by the Commission in the exercise of its powers under this Act shall be payable into the general revenue of Trinidad and Tobago and may be recovered by the State as a civil debt and for the purposes of the proof of such debt a certificate under the hand of the Chairman of the Commission shall be receivable in evidence as sufficient proof of such debt.

Administrative
fines may be
imposed for
certain
offences.
[9 of 2014].

156A. (1) The Commission may issue to any person who, there is reasonable cause to believe, has committed an offence referred to in the Schedule, a Notice offering the person the opportunity to discharge any liability to conviction in respect of that offence by payment of an administrative fine not exceeding five hundred thousand dollars for the offence in the Schedule.

Schedule.

(2) Where a person is given a Notice under this section, criminal proceedings shall not be taken against him for the offence specified in the Notice until the expiration of twenty-one days commencing from the day after which the Notice was served.

(3) Where a person fails to pay the administrative fine referred to in subsection (1) or where he continues to commit the offence after the expiration of twenty-one days following the date of receipt of the Notice referred to in subsection (1) that person is liable on summary conviction for the original offence committed.

(4) Payment of an administrative fine under this section shall be made to the Comptroller of Accounts and in any criminal proceedings against an offender referred to in this section, a certificate that payment of the administrative fine was or was not made to the Comptroller by the specified date shall, if the certificate purports to be signed by the Comptroller, be admissible as evidence of the facts stated therein.

(5) A Notice under subsection (1) shall—

- (a) specify the offence alleged;
- (b) give such particulars of the offence as are necessary for giving reasonable information of the allegation; and
- (c) state—
 - (i) that criminal proceedings shall not be laid until the expiration of twenty-one days from the date of receipt of the Notice where payment of the administrative fine is made and the commission of the offence is discontinued; and
 - (ii) the amount of the administrative fine and the fact that it is to be paid to the Comptroller of Accounts whose address is to be stated.

(6) In any proceedings for an offence to which this section applies, no reference shall be made to the giving of any Notice under this section or to the payment or non-payment of

an administrative fine thereunder unless in the course of the proceedings or in some document which is before the Court in connection with the proceedings, reference has been made by, or on behalf of the accused to the giving of such a Notice, or, as the case may be, to such payment.

(7) The Minister may, by Order, provide for any matter incidental to the operation of this section, and in particular, any such Order may prescribe—

- (a) the form of Notice under subsection (2);
- (b) the nature of the information to be furnished to the Comptroller of Accounts along with any payment; and
- (c) the arrangements for the Comptroller to furnish to the Commission, information with regard to any payment, non-payment pursuant to a Notice under this section.

Jurisdiction
and limitation.
[9 of 2014].

156B. (1) Summary proceedings for an offence under this Act may, without prejudice to any jurisdiction exercisable apart from this subsection, be taken against an entity in any place at which it has a place of business, and against an individual in any place at which he is for the time being located.

(2) Notwithstanding anything in any other law to the contrary, any complaint relating to an offence under this Act which is triable by a Magistrate's Court in Trinidad and Tobago may be so tried if it is laid at any time within seven years after the commission of the offence or within eighteen months after the relevant date.

(3) In this section, the "relevant date" means the date on which evidence sufficient in the opinion of the Commission to justify the institution of summary proceedings comes to its knowledge.

(4) For the purpose of subsection (3), a certificate as to the date on which evidence referred to in subsection (3) came to the knowledge of the Commission shall be conclusive evidence of that fact.

157. (1) The Commission shall before making an adverse decision or finding against a person provide a reasonable opportunity for that person to make either oral or written representations and shall give reasonable notice to that person including a—

Procedures for orders of the Commission. [9 of 2014].

- (a) statement of the time within which representations shall be made;
- (b) reference to the authority under which the decision or finding may be made;
- (c) concise statement of the case; and
- (d) statement that if the person fails to make representations within the time referred to in paragraph (a), the Commission may proceed without giving him further notice.

(2) A person who is entitled to an opportunity to be heard under subsection (1) may be represented by an Attorney-at-law.

(3) *(Repealed by Act No. 9 of 2014).*

DIVISION 4—MARKET MISCONDUCT PROCEEDINGS

158. (1) If it appears to the Commission that market misconduct is taking place or has or may have taken place, the Commission may conduct an investigation under section 150.

Market misconduct proceedings. [9 of 2014].

(2) For the purposes of this Part, “market misconduct” means—

- (a) breaches of sections 91, 92, 93, 94, 95, 96 and 98, respectively;
- (b) trading with knowledge of material non-public information contrary to section 100;
- (c) disclosure of material non-public information contrary to section 101;
- (d) failure of a person to be registered in accordance with Part IV;
- (e) failure of an issuer to prepare, file and receive a receipt from the Commission for a prospectus in connection with a distribution of securities contrary to section 73;

- (f) knowingly or recklessly including a misrepresentation in a prospectus or the failure of a prospectus to comply with section 76(1);
- (g) failure of a reporting issuer to comply with Part V, or knowingly or recklessly making a misrepresentation in any document filed or required to be filed under Part V, contrary to section 70; and
- (h) a breach of any provision under Part VII.

(3) Where an investigator appointed pursuant to section 150(1) reports to the Commission in accordance with section 150(6) that based on his investigation he has reasonable grounds to believe that any person has committed, is committing or is about to commit a breach of this Act, the Commission may conduct a hearing in accordance with section 159.

(4) Without limiting the generality of subsection (3), the purpose of proceedings instituted under that subsection is for the Commission to determine—

- (a) whether any market misconduct has taken place;
- (b) the identity of any person who has engaged in market misconduct; and
- (c) the amount of any profit gained or loss avoided as a result of market misconduct.

(5) Subject to subsections (6) and (7) the Commission may publish a report or other information concerning proceedings under this section.

(6) A person against whom an adverse finding is made under this section may, within fourteen days of being notified of the finding, submit in writing to the Commission an objection to the publication of the report referred to in subsection 150(6) or other publication concerning the finding.

(7) Where an objection is submitted under subsection (6), the Commission shall provide the person with an opportunity to be heard.

(8) The Commission may publish a report or other information concerning proceedings under this section, but if it intends to do so it shall if practicable, provide a person who is likely to receive adverse publicity with advance notice of the publication and a reasonable opportunity to prepare a response prior to publication.

(9) Where a response has been prepared under subsection (8) the Commission may publish the response.

DIVISION 5—HEARINGS

159. (1) Unless otherwise provided for in this Act, the Commission shall, before making an order, provide a reasonable opportunity for a hearing to each person directly affected and shall give reasonable notice to each such person and to any interested market actor including a—

Conduct of
hearings.
[9 of 2014].

- (a) statement of the time, place and purpose of the hearing;
- (b) reference to the authority under which the hearing is to be held;
- (c) concise statement of the allegations of fact and law; and
- (d) statement that if the person fails to attend at the hearing, the Commission may proceed without giving him further notice.

(2) The Commission may—

- (a) issue a *subpoena* or other request or summons requiring a person to attend at a hearing, to testify to all matters relating to the subject of the hearing, and to produce all records relating to the subject of the hearing that are in his possession or under his control, whether they are located in or outside Trinidad and Tobago; and
- (b) require a person to give evidence orally or in writing on oath or affirmation as it thinks necessary.

(3) Notwithstanding subsection (2), no person giving evidence before the Commission shall be compellable to

incriminate himself, and every such person shall, in respect of any evidence given by him before the Commission, be entitled to all privileges to which a witness giving evidence before the High Court is entitled in respect of evidence given by him before the High Court.

(4) A hearing under subsection (1) shall be open to the public unless the Commission directs otherwise in order to protect the interests of the persons affected, but if all persons directly affected and appearing so request, a hearing shall not be open to the public.

(5) A person who is entitled to notice of a hearing under subsection (1) may be represented by an Attorney-at-law and, subject to Rules made under section 21, may present evidence and cross-examine witnesses at the hearing.

(6) A witness at a hearing under subsection (1) may be advised by an Attorney-at-law.

(7) The Commission may admit as evidence at a hearing any testimony or exhibit that it considers relevant to the subject matter of the proceedings and may take notice of any fact that may be judicially noticed and of any generally recognised scientific or technical fact, information or opinion within its area of expertise.

(8) The Commission shall make provision for all oral evidence presented at a hearing under subsection (1) to be transcribed.

(9) The Commission—

- (a) shall make an order in writing and state the findings of fact on which it is based and the reasons for it;
- (b) shall send a copy of the order and reasons to each person entitled to notice under subsection (1) and to each person who appeared at the hearing; and
- (c) may publish a summary of the order and reasons therefor in accordance with subsection (12).

- (10) Subsection (1) does not apply to—
- (a) an order that is essentially procedural;
 - (b) an order that does not adversely affect the rights or interests of any person;
 - (c) an interim order or other order that the Commission may make under this Act without holding a hearing under this section; or
 - (d) an appointment that is made under section 150.

(11) Notwithstanding subsection (9)(c), where an order is made pursuant to section 155(1), the Commission shall publish a summary of the order and reasons therefor.

(12) The Commission shall satisfy the publication requirement under subsection (9)(c) by publishing in the *Gazette* and—

- (a) publishing in two daily newspapers of general circulation in Trinidad and Tobago; or
- (b) posting on the website of the Commission and issuing a notice in two daily newspapers of general circulation in Trinidad and Tobago notifying the public of such posting.

DIVISION 6—APPEALS

160. (1) The Commission may—

- (a) on its own motion; or
- (b) on an application under section 8(7) or 44(2),

Appeals for
review.
[9 of 2014].

review any decision made pursuant to authority delegated under section 8 or made by a self-regulatory organisation under section 43 and shall provide a reasonable opportunity to make representations and give reasonable notice to each person directly affected by the decision.

(2) The Commission shall, within thirty days of a request for review under this section notify the parties of the date, time and venue of the hearing to review the decision.

(3) The Commission may set aside, vary or confirm the decision under review or make such decisions as it considers appropriate.

(4) In the case of a review of any decision of a self-regulatory organisation made under section 43, a decision under subsection (2) shall be subject to section 44(3) to (7).

(5) A decision that is subject to review under this section takes effect immediately unless the Commission grants a stay pending the completion of a review under this section.

Appeals to the
High Court.
[9 of 2014].

161. (1) A person directly affected by an adverse decision, finding or order of the Commission may appeal to the High Court within fifteen days of his receipt of the notification of the adverse decision, finding or order.

(2) No appeal of a decision of a self-regulatory organisation under section 43 may be made under this section unless the person affected has taken all reasonable steps available to appeal or obtain review of the decision pursuant to section 160.

(3) An order that is subject to appeal under this section takes effect immediately, but the High Court may grant a stay pending the hearing of the appeal.

(4) The Commission is entitled to appear and be heard on the merits of an appeal under this section or on any other application to the High Court relating to the exercise by the Commission of its powers.

(5) Notwithstanding subsection (4), the procedure for determining appeals shall be in accordance with the Civil Proceedings Rules of the Supreme Court of Judicature until such time as Rules are made by the Rules Committee.

(6) On an appeal under this section, the High Court may make or may direct the Commission to make any order that the Commission is authorised to make and which the High Court considers just and proper, or it may remand the case to the Commission for further proceedings subject to any conditions which the High Court thinks fit.

(7) The Rules Committee under the Supreme Court of Judicature Act may, subject to negative resolution of Parliament, make Rules governing appeals to the High Court. Ch. 4:01.

DIVISION 7—ORDERS OF THE HIGH COURT

162. (1) Where the Commission considers that a person has failed to comply with or is in breach of this Act or an order of the Commission, the Commission may, in addition to any other powers it may have, apply to the High Court for an order— Court order for enforcing compliance.

- (a) directing the person to comply with or to cease the conduct which constitutes the breach;
- (b) directing senior officers of the entity to cause the entity to comply with or to cease the conduct which constitutes the breach; or
- (c) to freeze the assets of the person or a portion of the assets of that person or entity.

(2) On application under subsection (1), the Court may make any order it thinks fit including an order—

- (a) for restitution or disgorgement of profits;
- (b) restraining the conduct complained of;
- (c) requiring compliance with this Act or an order;
- (d) requiring disclosure of any information;
- (e) setting aside a transaction relating to trading in securities; or
- (f) requiring the issuance or cancellation of a security or the purchase, disposition or exchange of a security.

(3) An order may be made under this section in respect of a person, notwithstanding that a penalty has already been imposed on that person in respect of the same non-compliance or breach.

163. (1) Where the Commission considers that it is in the public interest or necessary for the protection of investors to prevent— Appointment of receiver or receiver-manager. [9 of 2014].

- (a) a person who is or has been in breach of or has contravened this Act; or

(b) a registrant or self-regulatory organisation whose registration under this Act has been suspended or revoked,

from dealing with property under his or its control or direction, the Commission may apply to the High Court and the High Court may appoint a receiver or receiver-manager in respect of the property of the person, registrant or self-regulatory organisation if it is satisfied that it is in the interests of investors or persons whose property is controlled by that person, registrant or self-regulatory organisation, creditors or security holders of that person, registrant or self-regulatory organisation, or members of that person, registrant or self-regulatory organisation to do so.

(2) Where the Commission intends to apply to the High Court to appoint a receiver or receiver-manager in respect of the property of a financial institution, the Commission shall, before making the application, consult with the Inspector of Financial Institutions with regard to the proposed application.

(3) The High Court may make an order under subsection (1) on an *ex parte* application by the Commission for a period not exceeding fifteen days.

(4) The High Court may order a receiver or receiver-manager appointed under this section to receive such remuneration to cover its charges and expenses from the registrant or self-regulatory organisation and such remuneration shall be in such order of priority, in relation to existing charges as the High Court sees fit.

(5) The receiver or receiver-manager shall conduct its duties with the greatest economy compatible with efficiency and as soon as possible after its appointment, file with the High Court, with a copy to the Commission, a report stating its recommended course of action in the circumstances.

(6) The receiver or receiver-manager, the Commission or any interested person may at any time apply to the High Court for the cancellation of an order made under subsection (1) or (3).

(7) The provisions of the Companies Act relating to a receiver or a receiver-manager shall apply to a receiver or receiver-manager appointed under this section.

Ch. 81:01.

164. (1) The High Court may order the winding up of a registrant or self-regulatory organisation and appoint a liquidator in accordance with the Companies Act subject to the modification that the registrant or self-regulatory organisation may also be ordered to be wound up on the petition of the Commission.

Appointment of liquidator. [9 of 2014].
Ch. 81:01.

(2) A petition under subsection (1) shall not be presented except with leave of the High Court.

(3) In any case where a petition is made by the Commission to the High Court for the winding up of a registrant or self-regulatory organisation—

- (a) the registrant or a self-regulatory organisation shall remain in suspension and shall not carry on business during the pendency of the petition unless it is authorised to do so by the High Court and except in accordance with conditions, if any, as may be specified by the High Court; and
- (b) the High Court, if it is of the opinion, after such inquiry as it may consider necessary, that the registrant or self-regulatory organisation—
 - (i) is not insolvent;
 - (ii) is able to meet the requirements for registration under this Act; and
 - (iii) its continuation in business is not likely to involve a loss to its clients, investors or members,

may permit the registrant or the self-regulatory organisation to resume business either unconditionally or subject to such conditions as the High Court may consider necessary in the public interest or the interests of the clients, investors and other creditors of the registrant or self-regulatory organisation but shall otherwise order that the registrant or self-regulatory organisation be wound up.

(4) In any case where an order of the High Court is made, whether in pursuance of any petition made under this

section or otherwise, for the winding up of any registrant or self-regulatory organisation or for the appointment of a receiver or a receiver-manager then, notwithstanding the provisions of any other law, such person as may be nominated by the Commission shall be appointed as liquidator, receiver or receiver-manager, as the case may be.

(5) A registrant or self-regulatory organisation shall not pass a resolution for a voluntary winding up or commence a voluntary winding up without first applying for the written approval of the Commission and shall submit such documents and information as may be prescribed.

(6) The Commission shall not provide the approval referred to in subsection (5) unless it is satisfied that the voluntary winding up will be affected in a manner that would not pose undue risks to clients, investors or members of the registrant or self-regulatory organisation or adversely affect public confidence in the securities industry in Trinidad and Tobago, and such approval may be subject to terms and conditions as may be prescribed.

(7) Where the Commission intends to apply to the High Court to appoint a liquidator in respect of the property of a financial institution, the Commission shall, before making the application, consult with the Inspector of Financial Institutions with regard to the proposed application.

Ch. 81:01.

(8) The provisions of the Companies Act relating to a liquidator shall apply to a liquidator appointed under this section.

DIVISION 8—OFFENCES

General
offences.
[9 of 2014].

165. (1) A person who—

- (a) knowingly or recklessly makes a misrepresentation in contravention of, or otherwise in relation to, this Act;
- (b) knowingly or recklessly makes a misrepresentation to any person appointed to conduct an investigation, review or an examination under section 150 or 151; or
- (c) contravenes section 36 or 73,

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commits an offence and is liable on summary conviction to a fine of two million dollars and to imprisonment for five years.

(2) A person who contravenes an order of the Commission commits an offence and is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for two years.

(3) Reasonable reliance, including reliance in good faith on the advice of an expert upon a statement of the law contained in—

- (a) this Act;
- (b) a judgment or declaration by a Court; or
- (c) an order or publication of the Commission,

is a defence in a proceeding under this section.

(4) An auditor who knowingly or recklessly makes or provides a false or misleading audit report in respect of financial statements which are required to be filed under this Act commits an offence and is liable on summary conviction to a fine of five million dollars and to imprisonment for five years.

(5) Where an auditor is convicted of an offence under subsection (4), the Commission may order, under section 155, and in addition to any other order that the Commission may make, that the auditor be prohibited from being the auditor of a market actor for a period not exceeding five years.

166. (1) Notwithstanding any other provision of this Act, where a company has been convicted of an offence under this Act, then any senior officer who knowingly or recklessly authorised, permitted or acquiesced in the offence is also guilty of the offence and liable to the penalty specified for it.

Liability of
senior officer.
[9 of 2014].

(2) Notwithstanding any other provision of this Act, where a person has been convicted of an offence under this Act, then any supervisor of the individual who knowingly or recklessly authorised, permitted or acquiesced in the offence is also guilty of the offence and liable to the penalty specified for it.

(3) Reasonable reliance, including reliance on the advice of an attorney-at-law, in good faith upon a statement of the law contained in—

- (a) this Act;
- (b) a judgment or declaration by a Court; or
- (c) an order or publication of the Commission,

is a defence in a proceeding under this section.

(4) The appointment of a liquidator, receiver or receiver-manager does not absolve any senior officer of a company or supervisor of an individual convicted of any offence under this Act from liability arising from wilful neglect, fraudulent transactions, misuse of client or investor funds or from any breach of the provisions of this Act.

(5) The directors of a broker-dealer, underwriter or a reporting issuer whose securities are listed on a securities exchange in Trinidad and Tobago, shall notify the Commission of any developments that pose material risks to the broker-dealer, underwriter or a reporting issuer.

(6) A director of a broker-dealer, underwriter or a reporting issuer whose securities are listed on a securities exchange in Trinidad and Tobago, who—

- (a) resigns;
- (b) receives a notice or otherwise learns of a meeting of shareholders called for the purpose of removing him from office; or
- (c) receives a notice or otherwise learns of a meeting of directors or shareholders at which another person is to be appointed or elected to fill the office upon his resignation or removal from office or because his term of office has expired or is about to expire,

may submit to the broker-dealer, underwriter or reporting issuer, and shall submit to the Commission, a written statement giving the reasons for his resignation or departure from office, or, where applicable, the reasons that he opposes any proposed action or resolution.

167. (1) A person convicted of an offence under this Act is liable, after the review and filing of a certificate under this section, for the costs of the investigation of the offence. Costs.

(2) The Commission may prepare a certificate setting out the costs of the investigation of an offence, including the time spent by its staff and any fees paid to an expert, investigator or witness.

(3) The Commission may apply to a Master or Registrar of the Supreme Court to review the certificate under the Civil Proceedings Rules, 1998 as if the certificate were a bill of costs, and the Master or Registrar shall review the costs and may vary them if he considers them unreasonable or not related to the investigation.

(4) The scales of costs in Part 67 of the Civil Proceedings Rules, 1998 do not apply to a certificate reviewed under this section.

(5) After review, the certificate may be filed in the High Court and may be enforced against the person convicted as if it were an order of the High Court.

168. Subject to section 169, nothing in this Act prevents the Commission from referring any matter to the Director of Public Prosecutions.

Referral of matters to Director of Public Prosecutions.

169. No report concluding that a person to whom this Act applies has failed without reasonable justification to fulfil a duty or obligation under this Act shall be made until reasonable notice has been given to such person of the alleged failure and the person has been allowed full opportunity to be heard either in person or by an Attorney-at-law.

Notice of adverse report.

169A. The Freedom of Information Act shall apply in relation to all documents or instruments which are expressly required to be filed with the Commission under this Act.

Freedom of Information Act, Ch. 22:02 to apply. [9 of 2014].

PART XII

REPEAL AND TRANSITIONAL PROVISIONS

170. (1) On the date of coming into force of this Act, the Commissioners of the former Commission shall be deemed to be

Transitional provisions.

appointed under section 10 of this Act and shall continue as Commissioners of the Commission under and for the purposes of this Act for a term expiring on the day on which their respective appointments would have expired under the former Act and—

- (a) all the property, assets and rights and all the liabilities and obligations to which the former Commission was entitled or subject are transferred to, vested in and conferred or imposed upon, as the case may be, the Commission, without further assurance and the Commission shall have all powers necessary to take possession of, recover, and deal with such property and assets and discharge such liabilities and obligations;
- (b) every agreement, whether in writing or not, and every deed, bond or other instrument to which the former Commission was a party or which affected the former Commission, whether the rights, liabilities and obligations under it could be assigned, shall have effect as if the Commission were a party to it or affected by it instead of the former Commission and as if for every reference in it to the former Commission there were substituted in respect of anything to be done on or after such date of coming into operation, a reference to the Commission;
- (c) any legal proceedings and investigations pending immediately before the coming into force of this Act to which the former Commission was a party may be continued as if the Commission was a party to those legal proceedings and investigations instead of the former Commission;
- (d) any orders of the former Commission made under the former Act shall remain valid and in force under this Act;

- (e) all funds and resources of the former Commission which stand to the credit of the Government under the former Act or the former Commission are transferred to and vest in the Commission; 32 of 1995.
- (f) all officers and employees, whether permanent or temporary, of the former Commission become the corresponding officers and employees of the Commission and continue in office for the period for which they were appointed by the former Commission; and
- (g) all superannuation benefits, pension rights, gratuities or other allowances which have accrued to an officer or employee, whether permanent or temporary, of the former Commission shall be preserved and shall continue to accrue under the Commission.

(2) Bye-laws, Guidelines and Rules made under the Securities Industry Act, in force at the commencement of this Act, remain in force until replaced by new Bye-laws made pursuant to this Act. 32 of 1995.

(3) For the purposes of this section, “former Commission” means the Trinidad and Tobago Securities Exchange Commission established under the former Act.

171. The Securities Industry Act, is repealed.

Act No. 32 of 1995 repealed.

[9 of 2014].

SCHEDULE

OFFENCES IN RESPECT OF WHICH CRIMINAL LIABILITY MAY BE DISCHARGED BY PAYMENT OF AN ADMINISTRATIVE FINE

Section	General Description of Offence	Criminal Penalty	Administrative Fine
54(6E)	<p>Failure of a person to obtain approval to become a substantial shareholder of a market intermediary in accordance with section 54(1)</p> <p>Failure of a person to apply for approval to be a substantial shareholder within the specified timeframe</p> <p>Failure of a person to restrain exercising his voting rights in respect of his shareholding of a registrant</p>	<p>\$600,000 or imprisonment for two years</p> <p>Daily fine of \$60,000 for each day the offence continues</p>	Up to \$500,000
60(1)	<p>Knowing or reckless misrepresentation in any application, notification or other document required to be filed, delivered or notified to the Commission in connection with—</p> <p>Registration, renewal or reinstatement as a broker-dealer, investment adviser, or underwriter in accordance with sections 51(1) and 56(1) of the Act</p>	\$1,000,000 and imprisonment for three (3) years	Up to \$500,000

Section	General Description of Offence	Criminal Penalty	Administrative Fine
60(1)	<p>Registration, renewal or reinstatement as a registered representative under sections 51(2) and 56(1) of the Act</p> <p>Granting of a licence to a person by a SRO</p> <p>Notification of a material change in the information contained in an applicant's application for registration in accordance with section 56(2) of the Act</p> <p>Notification of changes in particular information of a registrant in accordance with section 56(4) of the Act</p> <p>An application for the surrender of registration pursuant to section 59 of the Act</p> <p>An application to become a substantial shareholder of a broker-dealer, investment adviser or underwriter</p>	<p>\$1,000,000 and imprisonment for three (3) years</p>	<p>Up to \$500,000</p>

SCHEDULE—(Continued)

**OFFENCES IN RESPECT OF WHICH CRIMINAL
LIABILITY MAY BE DISCHARGED BY PAYMENT OF
AN ADMINISTRATIVE FINE—(Continued)**

Section	General Description of Offence	Criminal Penalty	Administrative Fine
60(1)	Registration as a reporting issuer under section 61 Registration of securities under section 62	\$1,000,000 and imprisonment for three (3) years	Up to \$500,000
60(2)	Carrying on business or course of conduct in connection with, or incidental to, the business activities of a broker-dealer, an investment adviser, or an underwriter without said person being registered, or deemed registered with the Commission as contained in section 51(1)	\$5,000,000 and imprisonment for five (5) years	Up to \$500,000
70(1)	Knowing or reckless— Failure of a reporting issuer to prepare, file and disseminate an annual report as contained in section 63 Failure of a reporting issuer to publish a notice describing the nature and substance of a material change within the prescribed time as contained in section 64(1)(a) Failure of a reporting issuer to file a material change report with the Commission within the prescribed time as contained in section 64(1)(b)	\$1,000,000 and imprisonment for three (3) years	Up to \$500,000

Section	General Description of Offence	Criminal Penalty	Administrative Fine
70(1)	<p>Failure of a reporting issuer to prepare and file audited annual comparative financial statements as contained in section 65(1)</p> <p>Failure of a reporting issuer to have an audit committee as contained in section 65(7)</p> <p>Failure of a reporting issuer to prepare, file and disseminate interim financial statements as contained in section 66</p> <p>Failure of a reporting issuer to send a prescribed form of proxy to each holder of voting securities who is entitled to receive notice of the meeting concurrently with giving a notice of meeting as contained in section 68(1)</p> <p>Failure of a reporting issuer to file a copy of a proxy circular or dissident's proxy circular concurrently with mailing as contained in section 68(3)</p> <p>Failure of a reporting issuer which is an approved foreign issuer to certify annually to the Commission in writing, concurrently with the filing of its annual comparative financial statements, that it is an approved foreign issuer as contained in section 69(3)</p>	<p>\$1,000,000 and imprisonment for three (3) years</p>	<p>Up to \$500,000</p>

SCHEDULE—(Continued)

OFFENCES IN RESPECT OF WHICH CRIMINAL LIABILITY MAY BE DISCHARGED BY PAYMENT OF AN ADMINISTRATIVE FINE—(Continued)

Section	General Description of Offence	Criminal Penalty	Administrative Fine
70(1)	Misrepresentation by a reporting issuer in any document required to be filed with the Commission and delivered to security holders as required in Part V—Disclosure Obligations of Reporting Issuers	\$1,000,000 and imprisonment for three (3) years	Up to \$500,000
70(2)	Any senior officer of a reporting issuer convicted of any of the following offences, who knowingly or recklessly authorised, permitted or acquiesced in the— Failure of a reporting issuer to prepare, file and disseminate an annual report as contained in section 63 Failure of a reporting issuer to publish a notice describing the nature and substance of a material change within the prescribed time as contained in section 64(1)(a) Failure of a reporting issuer to file a material change report with the Commission within the prescribed time as contained in section 64(1)(b) Failure of a reporting issuer to prepare and file audited annual comparative statements as contained in section 65(1)	\$500,000 and imprisonment for two (2) years	Up to \$500,000

Section	General Description of Offence	Criminal Penalty	Administrative Fine
70(2)	<p>Failure of a reporting issuer to have an audit committee as contained in section 65(5)</p> <p>Failure of a reporting issuer to prepare, file and disseminate interim financial statements as contained in section 66</p> <p>Failure of a reporting issuer to send a prescribed form of proxy to each holder of voting securities who is entitled to receive notice of the meeting concurrently with giving a notice of the meeting as contained in section 68(1)</p> <p>Failure of a reporting issuer to file a copy of a proxy circular or dissident's proxy circular concurrently with mailing as contained in section 68(3)</p> <p>Failure of a reporting issuer which is an approved foreign issuer to certify annually to the Commission in writing, concurrently with the filing of its annual comparative financial statements, that it is an approved foreign issuer as contained in section 69(3)</p> <p>Misrepresentation by a reporting issuer in any document required to be filed with the Commission and delivered to security</p>	<p>\$500,000 and imprisonment for two (2) years</p>	<p>Up to \$500,000</p>

SCHEDULE—(Continued)

OFFENCES IN RESPECT OF WHICH CRIMINAL LIABILITY MAY BE DISCHARGED BY PAYMENT OF AN ADMINISTRATIVE FINE—(Continued)

Section	General Description of Offence	Criminal Penalty	Administrative Fine
70(2)	holders as required in Part V—Disclosure Obligations of Reporting Issuers	\$500,000 and imprisonment for two (2) years	Up to \$500,000
99	<p>Knowingly or recklessly conducting transactions to create a false or misleading appearance of trading activity as contained in section 91(1)</p> <p>Knowingly or recklessly conducting transactions to create an artificial price, or to maintain at a level that is an artificial price for a security as contained in section 91(2) and 91(3)</p> <p>Knowingly or recklessly conducting a transaction that does not involve a change in the beneficial ownership of securities with the intention of maintaining, increasing, reducing, stabilising, or causing fluctuations in the price of securities traded on a securities market as contained in section 92(a)</p> <p>Knowingly or recklessly conducting a fictitious or artificial transaction with the intention of maintaining, increasing, reducing, stabilising, or causing fluctuations in the price of securities traded on a securities market as contained in section 92(b)</p>	\$2,000,000 and five (5) years imprisonment	Up to \$500,000

Section	General Description of Offence	Criminal Penalty	Administrative Fine
99	<p>Knowingly or recklessly disclosing, circulating or disseminating information which contains a misrepresentation to induce another person to buy, sell or otherwise trade in securities as contained in section 93</p> <p>Conducting transactions that will result in, or contribute to a misleading appearance of trading activity in, or an artificial price for a security as contained in section 94</p> <p>Employing a device with intent to defraud or mislead in connection with trading in securities as contained in section 95</p> <p>Employment of any device, scheme or artifice with the intent to defraud or deceive in connection with a trade in securities as contained in section 95(a)</p> <p>Engaging in an act, practice or course of business which is fraudulent or deceptive, or would operate as a fraud or deception in connection with trading in securities as contained in section 95(b)</p> <p>Making untrue statements of a material fact or omitting to state a material fact with intent to mislead in connection with trading</p>	<p>\$2,000,000 and five (5) years imprisonment</p>	<p>Up to \$500,000</p>

SCHEDULE—(Continued)

**OFFENCES IN RESPECT OF WHICH CRIMINAL
LIABILITY MAY BE DISCHARGED BY PAYMENT OF
AN ADMINISTRATIVE FINE—(Continued)**

Section	General Description of Offence	Criminal Penalty	Administrative Fine
99	<p>in securities as contained in section 95(c)</p> <p>Engaging in excessive trading as contained in section 96</p> <p>Making unsuitable recommendations and failing to disclose conflicts or potential conflicts of interest as contained in section 98(1)</p> <p>Publishing a research report not intended for a specific client and which recommends a trade in security, without disclosing a conflict of interest, as contained in section 98(2).</p>	\$2,000,000 and five (5) years imprisonment	Up to \$500,000
107(4)	<p>Failure by a broker-dealer to establish proper client accounts on behalf of any person, other than another broker-dealer, for the purchase or sale of securities, as contained in section 107(1)</p> <p>Withdrawal from client accounts by a broker-dealer, except for the purpose of making payment on behalf of, or to the person for whom it was established, as contained in section 107(2)</p>	\$500,000 and imprisonment for two (2) years	Up to \$500,000
138	Failure of a person connected to a reporting issuer to disclose beneficial ownership of securities of	\$500,000 and imprisonment for two (2) years	Up to \$500,000

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Section	General Description of Offence	Criminal Penalty	Administrative Fine
138	<p>the reporting issuer, as contained in section 136(1)</p> <p>Failure of a person connected to a reporting issuer to disclose changes in beneficial ownership of securities of the reporting issuer, after filing an initial report of beneficial ownership, as contained in section 136(2)</p> <p>*Transfer of securities of a reporting issuer held by a person connected to the reporting issuer to another person without filing a report with the Commission, as contained in section 136(3)</p> <p>Knowingly or recklessly making a false statement or filing a false report or failing to supply any particulars which are required to be supplied to the Commission pursuant to sections 136 and 137</p>	<p>\$500,000 and imprisonment for two (2) years</p>	<p>Up to \$500,000</p>
151	<p>Failure or refusal to attend before the Commission or failure or refusal to provide information to the Commission</p>		<p>Up to \$500,000</p>

SCHEDULE—(Continued)

**OFFENCES IN RESPECT OF WHICH CRIMINAL
LIABILITY MAY BE DISCHARGED BY PAYMENT OF
AN ADMINISTRATIVE FINE—(Continued)**

Section	General Description of Offence	Criminal Penalty	Administrative Fine
165(1)(a)	Knowingly or recklessly makes a misrepresentation in contravention of the Act	\$2,000,000 and five (5) years imprisonment	Up to \$500,000
165(1)(c)	Carrying on business or activities as a self-regulatory organisation without registration with the Commission as prescribed in section 36 of the Act Failure to file with the Commission a prospectus for a security that is to be traded and deemed a distribution	\$2,000,000 and imprisonment for five (5) years	Up to \$500,000
165(2)	Contravention of an order of the Commission	\$500,000 and Imprisonment for two (2) years	Up to \$500,000

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SECURITIES (GENERAL) BYE-LAWS

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BYE-LAW

PART I

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made under section 148

PART I

PRELIMINARY

- Citation. **1.** These Bye-laws may be cited as the Securities (General) Bye-laws.
- Interpretation.
Ch. 83:02. **2.** In these Bye-laws, “the Act” means the Securities Act.
- Financial
statements. **3.** The financial statements required under the Act and these Bye-laws shall—
- (a) be prepared in accordance with financial reporting standards;
 - (b) include, but are not limited to—
 - (i) a statement of financial position;
 - (ii) a statement of comprehensive income;
 - (iii) a statement of changes in equity;
 - (iv) a statement of cash flows;
 - (v) notes, comprising a summary of significant accounting policies and other explanatory information;
 - (vi) a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively, or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statement; and
 - (vii) any other statement or financial information that may be associated with the industry of operation;

- (c) unless otherwise provided for in these Bye-laws, be certified—
- (i) for interim financial statements, by the directors of the registrant or self-regulatory organisation, and the certification shall be evidenced by the signature of the chief executive officer or other senior officer duly authorised by the board of directors to sign on behalf of the registrant or self-regulatory organisation on the approved form; or
 - (ii) for annual audited financial statements, by the signatures of two directors of the registrant or self-regulatory organisation duly authorised to signify the certification on the approved form.

4. The fees payable under the Act and these Bye-laws are those set forth in Schedule 1.

Fees.
Schedule 1.

5. The approved forms referred to in the Act and these Bye-laws are such forms as the Commission may determine.

Forms.

6. The criteria used to assess whether a person is fit and proper for the purposes of the Act and these Bye-laws are those set forth in Schedule 2.

Fit and proper
requirements.

Schedule 2.

7. For the purposes of these Bye-laws—

Prescribed
definitions.

- (a) “accountant” means an individual who is a member in good standing with the Institute of Chartered Accountants of Trinidad and Tobago or such equivalent body in a foreign jurisdiction and meets any other requirements as the Commission may approve;
- (b) “advising representative” means a person employed by, or acting for, a registrant registered under section 51(1)(a) or (b), who

performs the activities of an investment adviser on behalf of that registrant registered under section 51(1)(a) or (b);

(c) “associate representative” means a person employed by, or acting for, a registrant registered under section 51(1) who—

(i) is supervised by an advising representative, brokering representative, or underwriting representative; and

(ii) performs the class of business activities for which such registrant is registered;

(d) “brokering representative” means a person employed by, or acting for, a registrant registered under section 51(1)(a), who performs the activities of a broker-dealer on behalf of that registrant registered under section 51(1)(a);

(e) “Former Bye-laws” means the Securities Industry Bye-laws, repealed by these General Bye-laws;

(f) “regulatory capital” means—

(i) cash or cash equivalents held in a financial institution;

(ii) money market accounts of a collective investment scheme in Trinidad and Tobago;

(iii) the market value of securities of the Government of Trinidad and Tobago; or

(iv) assets held in such other form as approved by the Commission,

which is free and clear of any encumbrances; and

(g) “underwriting representative” means a person employed by, or acting for, a registrant registered under section 51(1)(a) or (c), who

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performs the activities of an underwriter on behalf of that registrant registered under section 51(1)(a) or (c).

8. (1) For the purposes of section 69(1)(a) of the Act, the prescribed market capitalisation is five hundred million dollars and shall be equal to the aggregate market value of the outstanding equity securities of the issuer calculated by multiplying—

Market capitalisation of approved foreign issuers.

- (a) the total number of equity securities of each class outstanding on the day the issuer became a reporting issuer under the Act; and
- (b) the closing price of each class of equity securities outstanding on the principal foreign securities exchange upon which such equity securities are traded on the day set forth in paragraph (1)(a), or the immediately preceding day on which trading took place on such foreign securities exchange if the class of equity securities did not trade on the last day of the most recently completed financial year of the foreign issuer.

(2) For the purposes of section 80(2)(c) of the Act, the prescribed market capitalisation is five hundred million dollars and shall be equal to the aggregate market value of the outstanding equity securities of the issuer calculated by multiplying—

- (a) the total number of equity securities of each class outstanding on the relevant date; and
- (b) the closing price of each class of equity securities outstanding on the principal foreign securities exchange upon which such equity securities are traded on the relevant date, or the immediately preceding day on which trading took place on such foreign securities exchange if the class of equity securities did not trade on the relevant date.

Standards of solvency.

9. (1) For the purposes of reviewing the solvency of any person required to be registered under the Act and these Bye-laws, a person has failed to observe the standards of solvency when, at any time, there are reasonable grounds to believe that—

- (a) the person is unable to pay his liabilities as they become due; or
- (b) the realisable value of the assets of the person is less than the aggregate of—
 - (i) its liabilities; and
 - (ii) its stated capital.

(2) In addition to the standards of solvency required by paragraph (1), the Commission may require a person required to be registered under the Act and these Bye-laws to maintain such minimum level of capital as it may deem necessary.

PART II

THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Division 1—Conduct

Application.

10. (1) Bye-laws 11 and 12 apply to each member of the Commission, the Chief Executive Officer, and each officer, clerk or other person who is employed by the Commission or who holds office or an appointment under the Act or any person to whom any authority has been delegated by the Commission.

(2) Bye-laws 11 and 12 do not apply to transactions in personal promissory notes or securities issued by, or guaranteed by a government entity.

General conduct.

11. No person to whom this bye-law applies shall—

- (a) engage directly or indirectly in any personal business transaction or private arrangement for personal profit or the avoidance of a loss which accrues from, or is based upon his official position or authority or upon confidential or non-public information which he gains by reason of such position or authority;

- (b) act in a manner that might result in, or create the appearance of—
 - (i) a public office being used for private benefit, gain or profit or the avoidance of a loss;
 - (ii) having received preferential treatment other than as provided for in the Act;
 - (iii) a loss of independence or impartiality of such person; or
 - (iv) a loss of public confidence in the integrity of the Commission;
- (c) divulge or release, in advance or otherwise, confidential, non-public or official information to any person unless authorised under the Act;
- (d) divulge or release at any time after the termination of his office, appointment or employment with the Commission, or the completion of any matter delegated to him, confidential, non-public or official information to any person unless authorised under the Act;
- (e) act as an official in a matter in which the person has a material direct or indirect personal interest whether pecuniary or not;
- (f) be involved, directly or indirectly, in any business or financial affairs which may conflict with his duties or responsibilities; or
- (g) hold office in, or be a director of a registrant or self-regulatory organisation.

12. (1) At the time of taking office or employment with the Commission, a person referred to in bye-law 10(1) shall provide a report disclosing his direct and indirect beneficial ownership of, or control or direction over, securities of registrants and self-regulatory organisations—

Reporting to the
Minister or
Commission.

- (a) in the case of members of the Commission, to the Minister; and

(b) in the case of all other such persons to whom this bye-law applies, to the Commission.

(2) Each member of the Commission shall report to the Minister, and every other person to whom this bye-law applies shall report to the Commission, within five business days from the day on which a change takes place in his direct or indirect beneficial ownership of, or control or direction over, securities of a reporting issuer, disclosing—

- (a) his direct and indirect beneficial ownership of, or control or direction over, securities of a reporting issuer, at the end of that month; and
- (b) the change or changes that occurred during that month.

(3) Where the change in ownership in paragraph (2) relates to an interest in a collective investment scheme, each member of the Commission shall report to the Minister, and every other person to whom this bye-law applies shall report to the Commission—

- (a) every three months where the change is part of a regularly scheduled, recurring pattern; and
- (b) within five business days from the day on which the change took place for any change other than in paragraph (a).

Disclosure of interest.

13. Every person referred to in bye-law 10(1) who—

- (a) has any interest in a security of a reporting issuer, or any personal interest in any issuer or project that is the subject of, or part of the subject of any matter assigned to him as part of, his duties; or
- (b) had prior employment or other relationship to any person or project which may prejudice or affect his work, independence or impartiality on any assignment,

shall, if he is a member of the Commission, advise the Minister, or in any other case, advise the Commission.

Division 2—Filings with the Commission

14. (1) Documents expressly required to be filed with the Commission shall be filed by—

Filing of documents with Commission.

- (a) mailing or delivering such documents to the address of the Commission; or
- (b) providing to the Commission an electronic version of such documents in a format as may be required by the Commission.

(2) A document filed with the Commission under paragraph (1)(a) shall be deemed to be filed on the day which is the earlier of its actual receipt by the Commission and the day which such document is postmarked.

(3) A document filed with the Commission under paragraph (1)(b) shall be deemed to be filed on the day on which it is received by the Commission.

PART III

**THE TRINIDAD AND TOBAGO STOCK EXCHANGE
AND OTHER SELF-REGULATORY ORGANISATIONS**

15. (1) Application for registration, renewal or reinstatement as a self-regulatory organisation under Part III of the Act shall be made on the approved form.

Application for registration as a self-regulatory organisation.

(2) Every self-regulatory organisation shall have a designated person responsible for the discharge of its obligations under the Act who shall be the primary contact with respect to all matters related to the Commission and who shall be a senior officer of the self-regulatory organisation.

(3) Every self-regulatory organisation shall notify the Commission—

- (a) within three months of the coming into force of these Bye-laws, of the person designated under paragraph (2); and
- (b) forthwith, of any change in the designated person.

Prescribed records for self-regulatory organisations.

- 16. (1)** A self-regulatory organisation shall prepare and keep—
- (a) in the case of a self-regulatory organisation that is a securities exchange, a record of all orders or transactions in securities effected through the facilities of that securities exchange and the record shall identify the buying and selling broker-dealers, the price, quantity and account numbers of the buyers and sellers of the securities;
 - (b) in the case of a self-regulatory organisation that is a securities exchange, a record of all granting, refusal or restrictions on membership, including the reasons for granting, refusing or imposing conditions on the applicant;
 - (c) in the case of a self-regulatory organisation that is a clearing agency, records that provide an audit trail of transactions cleared and settled through its facilities including the time the transaction was cleared and settled, the name and quantity of the security and the time of the transaction, identities and where appropriate, the roles of the parties to the transaction;
 - (d) an annual report containing a management discussion and analysis and its annual audited comparative financial statements;
 - (e) an annual audited report on the operations and financial conditions of a contingency fund or a settlement assurance fund maintained by the self-regulatory organisation;
 - (f) a record of all disciplinary matters involving members of the self-regulatory organisation, detailing the nature of the matter, the names of members involved and the actions taken; and
 - (g) a record of all written complaints made against the self-regulatory organisation or a member regardless of whether any disciplinary action was taken, detailing the nature of the complaint, the names of the members involved, and the action taken, if any.

(2) A self-regulatory organisation is required to file with the Commission the reports contained in bye-law 16(1)(d) and (e) within one hundred and twenty days of its financial year end.

PART IV

REGISTRANTS

Division 1—General

17. (1) Every reporting issuer and registrant registered under section 51(1) of the Act, shall have a designated person who shall be the primary contact with respect to all matters related to the Commission and, where applicable, shall be a senior officer.

Designated person.

(2) Every reporting issuer and registrant registered under section 51(1) of the Act shall notify the Commission of the person designated under paragraph (1) within three months of the coming into force of these Bye-laws.

(3) Where a registrant is an entity constituted in trust form, the trustees or such other persons as may be approved by the Commission shall be responsible for the discharge of its obligations under the Act.

Division 2—Registration under section 51 of the Act

18. (1) Every applicant for registration, renewal or reinstatement to conduct the business activities of a broker-dealer shall—

Application for registration as a broker-dealer.

- (a) be a company incorporated in Trinidad and Tobago or incorporated in any other designated foreign jurisdiction and registered in Trinidad and Tobago as an external company under the Companies Act;
- (b) have as its primary business an activity for which registration is required under section 51(1)(a) of the Act;
- (c) not have direct or indirect interests which may conflict with, or be likely to affect the conduct and integrity of its business as a broker-dealer;

Ch. 81:01.

- (d) satisfy the minimum capital requirements applicable to its class of business as set forth in bye-law 27(1);
- (e) have at least two brokering representatives in its employ registered under bye-law 21 who each have at least three years securities-related work experience;
- (f) pay the relevant fee; and
- (g) be fit and proper.

(2) A person registered as a broker-dealer is deemed to be registered as an investment adviser.

(3) A broker-dealer may perform the activities of an underwriter provided that—

- (a) the applicant has in its employ at least one underwriting representative registered under bye-law 21;
- (b) the applicant pays the relevant fee; and
- (c) the applicant meets any other conditions as the Commission may require.

(4) An application for registration under paragraph (1) shall be made on the approved form.

Application for registration as investment adviser.

19. (1) Every applicant for registration, renewal or reinstatement to conduct the business activities of an investment adviser shall—

- (a) in the case of an individual—
 - (i) be at least twenty-one years of age;
 - (ii) have a degree or professional qualification in economics, banking, law, accountancy, business administration, chartered secretaryship, finance or such other qualification or training from a university or other educational institution acceptable to the Commission;

- (iii) have at least three years securities-related work experience;
 - (iv) pay the relevant fee; and
 - (v) be fit and proper; or
- (b) in the case of a company —
- (i) be a company incorporated in Trinidad and Tobago or incorporated in any other designated foreign jurisdiction and registered in Trinidad and Tobago as an external company under the Companies Act; Ch. 81:01.
 - (ii) have as its primary business an activity for which registration is required under section 51(1)(b) of the Act;
 - (iii) not have direct or indirect interests which may conflict with or be likely to affect the conduct and integrity of its business as an investment adviser;
 - (iv) have at least two advising representatives in its employ registered under bye-law 21 who each have at least three years securities-related work experience;
 - (v) pay the relevant fee; and
 - (vi) be fit and proper.

(2) Subject to paragraph (3), the following persons may perform the business activities of an investment adviser without registration under Part IV of the Act—

- (a) an insurance company registered under the Insurance Act and any director, officer or employee thereof; Ch. 84:01.
- (b) a financial institution and any director, officer or employee thereof;
- (c) an Attorney-at-law or an accountant;
- (d) a publisher of, or writer for, a newspaper, news magazine, or business or financial publication

that is of general and paid circulation, distributed only to subscribers to it for value or to purchasers of it, who—

- (i) gives advice as an investment adviser either as such publisher or writer only, or as such publisher or writer and as an Attorney-at-law or an accountant;
- (ii) discloses in the publication any direct or indirect beneficial ownership or other interest which he has in any of the securities in respect of which he gives investment advice;
- (iii) discloses in the publication that he is not a registered investment adviser with the Commission; and
- (iv) receives no commission or other consideration, directly or indirectly, from the issuer of the securities, or any affiliate or associate of the issuer of the securities, in respect of which the investment advice was given.

(3) The exemption under paragraph (2) is available to a person only if the performance of the services as an investment adviser is solely incidental to his principal business or occupation as stated in that paragraph.

(4) An application for registration under paragraph (1)(a) shall be made on the approved form.

(5) An application for registration under paragraph (1)(b) shall be made on the approved form.

Application for registration as an underwriter.

20. (1) Every applicant for registration, renewal or reinstatement to conduct the business activities of an underwriter shall—

- (a) be a company incorporated in Trinidad and Tobago or incorporated in any other designated

foreign jurisdiction and registered in Trinidad and Tobago as an external company under the Companies Act;

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- (b) have as its primary business an activity for which registration is required under section 51(1)(c) of the Act;
- (c) not have direct or indirect interests which may conflict with, or be likely to affect the conduct and integrity of its business as an underwriter;
- (d) satisfy the minimum capital requirements set forth in bye-law 27(1);
- (e) have at least two underwriting representatives in its employ registered under bye-law 21 who each have at least three years securities-related work experience;
- (f) pay the relevant fee; and
- (g) be fit and proper.

(2) An underwriter may perform the business activities of an investment adviser without registration so long as the performance of the activities of an investment adviser is solely incidental to its functions as an underwriter.

(3) An application for registration under paragraph (1) shall be made on the approved form.

21. (1) Every individual to whom section 51(2) of the Act applies, shall be registered in one or more of the following categories:

Registration of registered representatives.

- (a) an advising representative;
- (b) a brokering representative;
- (c) an underwriting representative; or
- (d) an associate representative.

(2) A registrant registered under section 51(1) of the Act shall submit a list of all registered representatives employed by, or acting on behalf of the registrant on the approved form

and pay the relevant fee upon its application to register, renew or reinstate under section 52(1) of the Act.

(3) A registrant shall submit an approved form in respect of an individual who is to engage in any act, action or course of conduct in connection with, or incidental to the class of business for which that registrant is registered and pay the relevant fee where such individual is employed by, or acting on behalf of that registrant subsequent to the submission of the form required under paragraph (2).

(4) The functions of a registered representative shall be restricted to the category of registration for which he is registered.

(5) A registrant registered under section 51(1) of the Act shall maintain records evidencing that each registered representative employed by, or acting on behalf of the registrant meets the criteria specified in bye-law 22.

Requirements
for
registration
of registered
representatives.

22. (1) Every senior officer, agent or employee who is to be registered under bye-law 21(1)(a), (b) or (c) shall—

- (a) complete the approved form;
- (b) be an individual of at least twenty-one years of age;
- (c) have a degree or professional qualification in economics, banking, law, accountancy, business administration, chartered secretaryship, finance or such other qualification or training from a university or other educational institution acceptable to the Commission;
- (d) have at least two years working experience in a field specified in paragraph (c); and
- (e) be fit and proper.

(2) A senior officer, agent or employee applying for registration under bye-law 21(1)(d) shall—

- (a) complete the approved form;
- (b) be an individual of at least twenty-one years of age;
- (c) be fit and proper; and

- (d) be under the direct supervision of a registered advising, brokering or underwriting representative who is authorised to perform the class of activities for which the associate representative is being registered.

23. (1) Every applicant for registration under section 51(5) of the Act shall—

Application for sponsored broker-dealer or investment adviser.

- (a) be an individual of at least twenty-one years of age;
- (b) not be registered to conduct the activities under section 51(1) of the Act;
- (c) not be the senior officer or employee of a registrant registered under section 51(1) of the Act;
- (d) be registered as an individual in the category of broker-dealer or investment adviser or any equivalent or similar category, under the securities legislation of a designated foreign jurisdiction, which registration shall be in good standing and not revoked, suspended or cancelled by the competent securities regulatory authority in the designated foreign jurisdiction;
- (e) at the time of the application not be the subject of any disciplinary proceedings by any self-regulatory organisation or competent securities regulatory authority in any jurisdiction;
- (f) be a senior officer or employee of a broker-dealer or investment adviser, or any equivalent or similar entity, registered under the securities legislation of a designated foreign jurisdiction, which registration shall be in good standing and not revoked, suspended or cancelled by the competent securities regulatory authority in the designated foreign jurisdiction; and
- (g) be fit and proper.

(2) An application for registration under paragraph (1) shall be made on the approved form and accompanied by—

- (a) a letter from a broker-dealer or investment adviser registered under section 51(1) of the Act wherein the broker-dealer or investment adviser agrees to sponsor the applicant for registration under section 51(5) of the Act;
- (b) evidence of due registration in good standing in a designated foreign jurisdiction required under paragraph (1)(d) and (f); and
- (c) the relevant fee.

(3) The broker-dealer or investment adviser, identified in paragraph (2)(a), shall be responsible for the discharge of the obligations of the sponsored broker-dealer or investment adviser whom it agrees to sponsor pursuant to paragraph (2)(a) as an applicant under section 51(5) of the Act and these Bye-laws in respect of the activities which the applicant conducts in the securities market in Trinidad and Tobago.

(4) A person registered under section 51(5) of the Act shall not engage in the business and activities of a broker-dealer or investment adviser in Trinidad and Tobago for more than ninety days in any one calendar year.

Division 3—Registration under section 54 of the Act

Approval of
substantial
shareholders.

24. (1) An application for approval under section 54 of the Act shall be made on the approved form.

(2) In determining whether an applicant should be approved to become a substantial shareholder under section 54 of the Act, the Commission shall take into account—

- (a) if an individual, whether he—
 - (i) is at least twenty-one years of age; and
 - (ii) is fit and proper; or
- (b) if an entity, whether it is fit and proper.

Division 4—Registration and Distribution Statements under sections 61 and 62

25. (1) A registration statement under section 61(1) or a revised registration statement under section 61(2) of the Act shall be in the approved form and shall be accompanied by such documents as the Commission may require and the relevant fee.

Registration statement.

(2) The notification of a limited offering pursuant to sections 61(4)(a)(i) and 62(9)(a)(i) of the Act shall be on the approved form.

26. A distribution statement required under section 62(2) of the Act shall be in the approved form and shall be accompanied by such documents as the Commission may require and the relevant fee.

Distribution statement.

PART V

OBLIGATIONS OF REGISTRANTS AND SELF-REGULATORY ORGANISATIONS

Division 1—Registrants under section 51(1) of the Act and self-regulatory organisations

27. (1) A registrant registered under section 51(1) of the Act shall maintain at all times capital levels as follows:

Capital requirements and notification.

(a) in the case of a broker-dealer—

- (i) that only conducts the business of effecting transactions in securities for the account of others, minimum capital of two million dollars, of which at least one million dollars shall be regulatory capital; or
- (ii) that conducts the business of effecting transactions in securities for the account of others or buying and selling securities for his own account and who holds himself out as willing to buy and sell securities at prices specified by him,

minimum capital of five million dollars, of which at least two million dollars shall be regulatory capital;

- (b) in the case of a broker-dealer that also conducts the activities of an underwriter, minimum capital of six million dollars, of which at least three million shall be regulatory capital;
- (c) in the case of an underwriter, minimum capital of five million dollars, of which at least two million dollars shall be regulatory capital; or
- (d) in the case of an investment adviser, minimum capital of fifty thousand dollars, all of which shall be regulatory capital.

(2) The capital levels set forth in paragraph (1) are the prescribed levels of capitalisation for the purpose of section 57(1)(f) of the Act.

(3) The capital levels that shall be applied to registrants specified in this bye-law may be determined by the Commission in accordance with international standards and modified from time to time by order of the Commission.

Quarterly
calculation of
capital
requirements.

28. (1) A registrant registered under section 51(1) of the Act shall file with the Commission within thirty business days following the end of each quarterly period in the financial year of such registrant—

- (a) a statement—
 - (i) setting forth the capital levels of the registrant as at the last day of the end of such quarterly period; and
 - (ii) setting forth the calculation utilised to determine the capital levels disclosed in paragraph (1)(a)(i);
- (b) a certificate of a senior officer of the registrant confirming the accuracy of the statement required by paragraph (1)(a);

- (c) a statement of any additions or withdrawals of equity capital within the quarterly period.

29. (1) A registrant or self-regulatory organisation shall, where applicable, maintain records in a manner that permits it to be provided promptly to the Commission and such records shall—

Record-keeping
by registrants.

- (a) clearly record all of its business transactions and financial affairs that are conducted in Trinidad and Tobago;
- (b) permit the timely creation and audit of financial statements and other financial information required to be filed or delivered to the Commission;
- (c) permit the determination of the registrant's capital position;
- (d) demonstrate compliance with the registrant's capital and insurance requirements;
- (e) demonstrate compliance with the registrant's policies and procedures, including internal control procedures;
- (f) permit the identification and segregation of client assets, cash, securities and other property;
- (g) identify all transactions conducted on behalf of the registrant and each of its clients, including the parties to the transaction and the terms of purchase or sale;
- (h) provide an audit trail for—
 - (i) client instructions and orders; and
 - (ii) each trade transmitted or executed for the account of a client or the registrant;
- (i) permit the creation of account activity reports for clients;
- (j) demonstrate compliance with client account opening requirements;
- (k) document correspondence and other communication with clients;

- (l) document complaints and disciplinary matters;
- (m) document compliance and supervisory actions taken by the registrant; and
- (n) demonstrate compliance with the registrant's obligations under the Act and these Bye-laws.

(2) The books and records required to be kept in accordance with the Act and these Bye-laws shall be kept in English—

- (a) in Trinidad and Tobago; or
- (b) where the registrant is domiciled in a jurisdiction outside of Trinidad and Tobago, such books and records may be kept in a designated foreign jurisdiction, subject to the approval of the Commission and on such terms and conditions as the Commission may require.

Adequate precautions and access.

30. A registrant or self-regulatory organisation may only record or store information using mechanical, electronic or other devices if—

- (a) the method used is not prohibited by law;
- (b) the registrant or self-regulatory organisation takes adequate precautions, appropriate to the methods used, to guard against falsification of, or tampering with, the information recorded or stored; and
- (c) the registrant or self-regulatory organisation provides a means for making the information available in an accurate and easily understood form within a reasonable time to any person lawfully entitled to examine the information.

Records of original entry.

31. A registrant registered under section 51(1) of the Act as a broker-dealer or underwriter shall keep records of original entry which shall contain an itemised daily record of—

- (a) all purchases and sales of securities;
- (b) all receipts and deliveries of securities including certificate numbers;

- (c) all receipts and disbursements of cash;
- (d) all other debits and credits;
- (e) the account for which each transaction was effected;
- (f) the name of the securities to which each transaction recorded applies, their class or designation, and their number or value;
- (g) the unit purchase or sale price, if any;
- (h) the aggregate purchase or sale price, if any;
- (i) the trade date and the name or other designation of the person from whom the securities were purchased or received, or to whom they were sold or delivered;
- (j) whether or not the registrant acted as principal or agent in respect of each transaction it effected; and
- (k) the name of the market in which a trade took place.

32. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep ledgers or other records which shall reflect—

- (a) in detail, the assets, liability and capital accounts and the income and expenditure accounts;
- (b) securities in transfer;
- (c) dividends and interest received;
- (d) securities borrowed and securities loaned;
- (e) money borrowed and money loaned, together with a record of related collateral and substitutions in the collateral; and
- (f) securities that the registrant should have, but has not received, or has failed to deliver.

LAWS OF TRINIDAD AND TOBAGO

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Securities

[Subsidiary]

Securities (General) Bye-laws

Ledger
account.

33. Ledger accounts of a registrant required to be kept by bye-law 32 shall be itemised separately showing—

- (a) each cash and margin account of each client;
- (b) all purchases, sales, receipts and deliveries of securities and commodities for the account; and
- (c) all other debits and credits to the account.

Securities
record.

34. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep a securities record which shall show separately for each security, as at the trade date or settlement date—

- (a) all long or short positions, including securities in safekeeping, carried for the account of the registrant, or for the account of clients;
- (b) the location of all securities long, and the position offsetting securities short; and
- (c) in all cases, the name or designation of the account in which each position is carried.

Order and
instructions.

35. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep a record of each order and any other instructions given or received, for the purchase or sale of securities, whether executed or not, and shall show with respect to each order and instruction—

- (a) its terms and conditions;
- (b) any modification or cancellation of it;
- (c) the account to which it relates;
- (d) where it is placed by an individual, other than—
 - (i) the person in whose name the account is operated; or
 - (ii) the individual who is duly authorised to place orders or instructions on behalf of a client that is a company,the name or designation of the individual placing it;

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UPDATED TO DECEMBER 31ST 2015

- (e) its time of entry and, where applicable, a statement that it is entered under the exercise of a discretionary power of the registrant or an employee of the registrant;
- (f) the price at which it was executed; and
- (g) the time of its execution or cancellation.

36. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep a record of confirmations and notices which shall consist of—

Confirmation and notice.

- (a) a copy of every confirmation for each purchase and sale of securities required by section 109 of the Act; and
- (b) a copy of every notice of all other debits and credits of securities, cash and other items for the accounts of clients.

37. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep a record of cash and margin accounts which shall show, with respect to each cash account and margin account for each client—

Cash and margin account.

- (a) the name and address of the beneficial owner of the account and of the guarantor, if any;
- (b) where the trading instructions are accepted from a person other than the client, written authorisation or ratification from the client naming that person; and
- (c) in the case of a margin account, an executed margin agreement containing the signature of the beneficial owner and the guarantor, if any, and any additional information required under bye-law 54, but in the case of a joint account or an account of a company, the record is required only in respect of the person duly authorised to transact business for the account.

Option records.

38. A registrant registered under section 51(1) of the Act as a broker-dealer shall keep an options record which shall show—

- (a) all puts, calls, spreads, straddles and other options—
 - (i) in which the registrant has any direct or indirect interest; or
 - (ii) granted or guaranteed by the registrant; and
- (b) the identification of the securities to which the put, call, spread, straddle or other option relates.

Audited annual comparative financial statements of registrants.

39. (1) A registrant registered under section 51(1) of the Act shall file with the Commission, within ninety days of the end of each financial year of such registrant, audited annual comparative financial statements relating separately to—

- (a) the period that commenced on the date of incorporation or organisation and ended as of the close of the first financial year or, if the registrant has completed a financial year, the last financial year; and
- (b) the period covered by the financial year immediately preceding the last financial year, if any.

(2) No person shall be appointed to act as the auditor of a registrant for the purposes of this bye-law unless such person is a member in good standing of the ICATT or its equivalent in a designated foreign jurisdiction and meets any other requirements as the Commission may order.

(3) The Commission may, where the report of the auditor required by paragraph (2) is qualified in any respect, take any action that it deems necessary until the matters giving rise to the qualified audit report are resolved.

(4) The auditor shall, where he is, in the course of performing his duties required by paragraph (2), of the opinion

that a matter could give rise to a qualification in the audit report on the financial statements, provide notice to the Commission immediately and deliver a copy of the notice promptly to the registrant.

(5) The notice required in paragraph (4) shall contain complete details about the circumstances giving rise to the notice.

40. (1) A registrant registered under section 51(1) of the Act shall file with the Commission, an interim financial statement—

Interim
financial
statements.

(a) where the registrant has not completed its first financial year, for the period commencing with the beginning of that financial year and ending six months before the date on which that financial year ends; or

(b) where the registrant has completed its first financial year, for the period commencing after the end of its last completed financial year and ending six months after that date, including a comparative financial information to the end of the corresponding period in the last financial year.

(2) The interim financial statement required under paragraph (1) shall be filed with the Commission within sixty days of the end of the period to which it relates.

(3) An interim financial statement need not be filed under paragraph (1) for any period that is less than six months.

(4) An interim financial statement filed under paragraph (1) need not include an auditor's report, but if an auditor has been associated with that statement, his audit report or his comments on the unaudited financial information shall accompany the statement.

41. A registrant registered under section 51(1) of the Act shall—

Financial
statements to
customer by
registrants.

(a) when requested by a client—

(i) forthwith provide the client with a copy of the most recently prepared audited financial statements of the registrant, as filed with the Commission or

self-regulatory organisation of which the registrant is a member; and

- (ii) a list of the names of the senior officers of the registrant, prepared and certified as of a date not more than thirty days after the request; and

- (b) inform its clients on every statement of account or by other means approved by the Commission that the audited financial statements referred to in paragraph (a) are available on request.

Education and training.

42. A registrant registered under section 51(1) of the Act shall ensure that its employees, senior officers and other agents have such education and training as are reasonably necessary to ensure that its business as a registrant is conducted ethically and in accordance with industry practice.

Standards of investment for filing.

43. (1) A registrant registered under section 51(1) of the Act shall develop written policies that maintain standards ensuring fairness in the allocation of investment opportunities among its clients.

(2) A registrant registered under section 51(1) of the Act shall submit a copy of its policies developed pursuant to paragraph (1) to the Commission upon request by the Commission.

(3) A registrant registered under section 51(1) of the Act shall provide a copy of its policies referred to in paragraph (1) to each client at the time he becomes a client of the registrant.

Statements of accounts.

44. (1) Where a client has a debit or credit balance with a registrant registered under section 51(1) of the Act as a broker-dealer, or a registrant registered under section 51(1) of the Act as a broker-dealer is holding securities of a client, the registrant shall send a statement of account to that client at the end of each month in which the client effects a transaction.

(2) Where a registrant registered under section 51(1) of the Act as a broker-dealer is holding funds or securities of a

client on a continuing basis, the registrant shall forward, not less than once in every three months, a statement of account to the client showing—

- (a) in the case of funds, any debit or credit balance; and
- (b) in the case of securities, the details of any securities held.

(3) A statement of account sent under paragraph (1) or (2) shall indicate clearly which securities are held for safekeeping.

45. A registrant registered under section 51(1) of the Act as a broker-dealer shall obtain a written acknowledgment from each client that any securities beneficially owned by the client may be kept by means of record entries with a clearing agency.

Acknowledgement of record entry transfers in contract.

46. (1) A registrant registered under section 51(1) of the Act shall apply in accordance with section 56(6) of the Act for the registration of a new branch office, where it proposes to conduct the categories of business for which it is registered at that branch office and the application shall be accompanied by such documents as the Commission may require and the relevant fee.

Branch offices.

(2) The Commission may approve a branch office in Trinidad and Tobago, on such terms and conditions as it considers appropriate.

Division 2—Registrants under section 61 of the Act

47. For the purpose of section 63(a) of the Act, an annual report of a reporting issuer shall—

Filing of annual report.

- (a) contain the annual comparative financial statements;
- (b) contain a management discussion and analysis and such other information as the Commission may require; and
- (c) be filed with the Commission annually within one hundred and twenty days of the financial year end of the reporting issuer.

Annual comparative financial statements.

48. (1) For the purposes of section 65(1) of the Act, the annual comparative financial statements of a reporting issuer shall be audited and shall be filed with the Commission annually within ninety days of the financial year end of the reporting issuer.

(2) In addition to the requirements set forth in bye-law 3, the annual comparative financial statements of a reporting issuer that is a collective investment scheme shall include a statement of changes in net assets attributable to holders of redeemable shares.

(3) In addition to the requirements set forth in bye-law 3, the interim financial statements of a reporting issuer that is a collective investment scheme shall include a statement of changes in net assets attributable to holders of redeemable shares for the periods specified in section 66(1) of the Act.

(4) Notwithstanding paragraphs (2) and (3) the content of the financial statements for a reporting issuer that is a collective investment scheme may be varied or amended in such manner as may be determined by the Commission from time to time.

Certificate of annual and interim comparative financial statements for collective investment schemes.

49. The annual and interim comparative financial statements of a reporting issuer that is a collective investment scheme shall be certified, if the reporting issuer is organised or constituted—

- (a) as a company, by the directors of the reporting issuer, and the approval shall be evidenced by the signatures of two directors duly authorised to signify the approval;
- (b) as a trust, by the trustees of the reporting issuer, and the approval shall be evidenced by the signatures of two trustees duly authorised to signify the approval; and
- (c) other than as a company or a trust, by any two persons authorised to sign on behalf of the reporting issuer, and the approval shall be evidenced by the signatures of two such persons duly authorised to signify the approval.

50. (1) The management discussion and analysis of a reporting issuer shall include a discussion of the following items for the financial year of the reporting issuer for which the management discussion and analysis is being prepared, and a comparative discussion for the financial year immediately preceding such financial year:

Management discussion and analysis.

- (a) the overall performance of the reporting issuer including—
 - (i) its year-end financial condition, its results of operations, and cash flows;
 - (ii) general industry and economic factors affecting the reporting issuer; and
 - (iii) changes in the business during the financial year and how those changes have impacted financial condition and performance;
- (b) the results of operations for the reporting issuer, including, where applicable—
 - (i) net sales or revenues for the financial year, including the impact of new goods or services and factors affecting changes in sales;
 - (ii) cost of sales;
 - (iii) expenditures in the financial year including research and development, administration and marketing costs, and other material expenses;
 - (iv) trends, commitments, events, risks or other factors that the reporting issuer believes may materially affect the future results of operations of the reporting issuer; and
 - (v) unusual or infrequent factors or transactions which affected results of operations for the financial year;

- (c) the liquidity position of the reporting issuer, including—
- (i) the cash and cash equivalents of the reporting issuer in both the short and long term, and the sufficiency of such cash and cash equivalents to meet planned goals and objectives;
 - (ii) working capital requirements;
 - (iii) working capital deficiencies, and the reporting issuer's plans to deal with such deficiencies;
 - (iv) the impact of balance sheet items or cash flows on the liquidity or working capital position of the reporting issuer; and
 - (v) defaults on any debt obligations and the effect of such defaults on the reporting issuer;
- (d) the capital resources of the reporting issuer including—
- (i) the amount, nature and purpose of capital expenditures required;
 - (ii) the sources of funds to meet capital requirements; and
 - (iii) sources of financing for the reporting issuer, including sources that have been arranged but not yet used;
- (e) material transactions between the reporting issuer and its affiliate, including—
- (i) identification of the affiliate of the reporting issuer;
 - (ii) determination of the transaction price; and
 - (iii) the on-going relationship between the reporting issuer and the affiliate of the reporting issuer; and

- (f) accounting policies of the reporting issuer, including—
- (i) all changes in accounting policies during the financial year, the reason for such change, and the policy currently adopted by the reporting issuer; and
 - (ii) accounting policies which are critical to the reporting issuer in that they required judgments, estimates or uncertainties where the use of different judgments, estimates or uncertainties may result in materially different amounts reported in the financial statements of the reporting issuer.

(2) Notwithstanding paragraph (1), a management discussion and analysis of a reporting issuer may discuss such other matters which the reporting issuer reasonably believes are necessary for a full, true and complete understanding of the financial results, financial position and future prospects of the reporting issuer.

(3) Notwithstanding paragraph (1), a reporting issuer is not required to make disclosure of any matter in a management discussion and analysis which is not material to the reporting issuer, or which is inapplicable given the business and operations of the reporting issuer.

(4) A management discussion and analysis shall be prepared in plain language and in a format that is easy to read and understand.

51. For the purposes of sections 65(1) and 66(1) of the Act in respect of a reporting issuer that is an approved foreign issuer, any body of accounting principles that would be permitted to be used by the approved foreign issuer under the securities laws of a designated foreign jurisdiction in which the approved foreign issuer is subject to foreign disclosure requirements, shall be considered financial reporting standards for the purposes of the Act and these Bye-laws.

Acceptable
accounting
principles.

Filing of material sent to security holders or filed abroad.

52. (1) Every reporting issuer shall file with the Commission in the manner specified in bye-law 14—

- (a) a copy of all material sent by the reporting issuer to its security holders pursuant to the Act and these Bye-laws; and
- (b) all elective information not already filed with the Commission, whether in the same or a different form.

(2) For the purpose of paragraph (1)(b), “elective information” means information that is filed with, or delivered to—

- (a) a government of another jurisdiction;
- (b) a financial regulator of another jurisdiction; or
- (c) a securities exchange of another jurisdiction,

on the basis that it is material to investors but does not include information that is specifically required to be filed or delivered in the other jurisdiction in accordance with the applicable law or, the rules or regulations of the securities exchange.

(3) Any document or information required to be filed with the Commission as a result of paragraph (1) shall be filed with the Commission forthwith after the reporting issuer sends the information referred to in paragraph (1)(a) to its security holders.

(4) Information that is filed with the Commission pursuant to paragraph (1)(b) and that has been filed on a confidential basis in all other jurisdictions in which it is filed, shall be kept confidential so long as it remains confidential in all those other jurisdictions.

Division 3—Notification Requirements for Registrants

Notification of changes. Schedule 3.

53. (1) For the purposes of section 56(4) of the Act, the prescribed events are those set forth in Schedule 3.

(2) For registrants registered under section 51(1) of the Act, the prescribed time for notifications to be sent to the Commission in accordance with section 56(4) of the Act shall be seven days from the date of the occurrence of the prescribed event.

(3) For registrants registered under section 61(1) of the Act, the prescribed time for notifications to be sent to the Commission in accordance with section 56(4) of the Act shall be fourteen days from the date of the occurrence of the prescribed event, unless the Commission specifies otherwise.

(4) Notwithstanding paragraph (3), the prescribed time for the notification to be sent to the Commission with respect to paragraph (e) of List B of Schedule 3 of these Bye-laws shall be quarterly within five business days of the end of the quarter. Schedule 3.

PART VI

MARKET CONDUCT AND REGULATION

54. The confirmation of a trade required by section 109 of the Act shall contain the following information: Trading confirmations.

- (a) the price at and the consideration for which the sale or purchase was effected;
- (b) the commission charged in connection therewith and any other charges incurred; and
- (c) the date on which the purchase or sale took place.

55. Payments made into client's accounts for the purposes of section 107(1)(a) and (b) of the Act, shall be made within three business days of the transaction. Client's accounts.

56. For the purposes of section 86 of the Act, the report, on the approved form, shall be filed with the Commission within ten business days following the end of each quarterly period in the financial year of the registrant. Trades conducted other than through a securities exchange.

57. A registrant registered under section 51(1) of the Act shall ensure that the account of each client is supervised separately and distinctly from the accounts of other clients. Separate supervision of accounts and pooling.

58. (1) Securities that are held by a registrant for a client pursuant to an agreement between the registrant and the client and that are unencumbered shall be kept apart from all other Segregation of client's securities.

securities and be identified as being held for a client in the records of a registrant required to be kept under bye-laws 29 to 38.

(2) Securities that are held under paragraph (1) may be released only on an instruction from the client and not solely because the client has become indebted to the registrant.

(3) A registrant registered under section 51(1) of the Act solely as an investment adviser shall not keep securities for, or on behalf of, a client.

Improper use of client's assets.

59. No registrant registered under section 51(1) of the Act shall—

- (a) make improper use of a client's securities or funds; or
- (b) borrow, lend, pledge or otherwise use a client's funds or securities without the client's written authorisation.

Know your client.

60. (1) A registrant registered under section 51(1) of the Act shall take reasonable steps to—

- (a) establish the identity of a client and where applicable, document any cause for concern;
- (b) ascertain whether the client is a senior officer of a reporting issuer;
- (c) ensure that it has sufficient personal and financial information about a client to enable it to meet its obligations when it—
 - (i) makes a recommendation to the client;
 - (ii) accepts an instruction to trade from the client;
 - (iii) makes a discretionary purchase or sale of securities on behalf of the client; and
- (d) establish the credit worthiness of a client, if the registrant is financing the client's acquisition of a security.

(2) If the client of the registrant registered under section 51(1) of the Act is an entity, the registrant shall, in order to comply with the obligation under paragraph (1)(a), establish—

- (a) the nature of the client's business;
- (b) the identity of any directors; and
- (c) the identity of any person who owns ten per cent or more of the paid-up share capital of the entity.

(3) The registrant registered under section 51(1) of the Act must make reasonable efforts to keep the information required under this bye-law up to date.

61. (1) Bye-law 60(1) does not apply to a registrant registered under section 51(1) as a broker-dealer in respect of a trade executed by him on the instructions of another registrant or a financial institution. Suitability obligation.

(2) Pursuant to section 98(1)(a) of the Act, if a client instructs a registrant registered under section 51(1) or (5) of the Act to buy, sell or hold a security and the registrant, acting reasonably, is of the opinion that carrying out the instruction would not be suitable for the client, the registrant shall inform the client of the registrant's opinion and shall not buy or sell the security unless the client instructs the registrant to proceed nonetheless.

62. (1) A registrant registered under section 51(1) of the Act as a broker-dealer shall not execute any trade for a client unless the registrant has the client's prior authorisation for the transaction. Discretionary trading.

(2) A registrant registered under section 51(1) of the Act as a broker-dealer, may only execute investment discretion over a client's account if—

- (a) it has entered into a written agreement with the client granting such authority; and
- (b) the agreement has been signed and approved by a senior officer of the registrant prior to the first transaction for the client.

Executing order,
name or code.

63. Where a registrant registered under section 51(1) of the Act as a broker-dealer opens and trades on an account on behalf of a client and executes the orders of a client in its own name or identifies the client by means of a code or symbol, a registrant who transacts business with another registrant concerning those orders shall establish the credit worthiness of the other registrant but need not otherwise determine the suitability of a trade for the client of the other registrant.

Supervision,
compliance and
risk
management
systems.

64. (1) A registrant shall establish, maintain and apply a system of controls and supervision sufficient to—

- (a) provide reasonable assurance that the entity and each individual acting on its behalf complies with—
 - (i) the Act, Bye-laws or any other Bye-laws; and
 - (ii) any other law dealing with anti-money laundering or combating the financing of terrorism; and
- (b) manage the risks associated with its business in conformity with prudent business practices.

(2) The system of controls referred to in paragraph (1) shall be documented in the form of written policies and procedures.

Complaints.

65. A registrant shall establish effective complaints handling systems and procedures to ensure that—

- (a) adequate records of complaints, including a central register, are established and maintained;
- (b) all complaints are responded to within a reasonable timeframe;
- (c) all written complaints are responded to in writing; and
- (d) reasonable efforts are undertaken to ensure that each complaint is effectively and fairly resolved.

PART VII

CONFLICTS OF INTEREST

66. (1) For the purposes of bye-laws 67 to 71 —
“related party of a registrant” means, in respect of a
registrant registered under section 51(1) of the Act—

Related parties
of registrants.

(a) any person who—

- (i) beneficially owns, or exercises control or direction over, securities, which constitute in the aggregate more than thirty per cent of the outstanding securities of any class or series of voting securities of the registrant; or
- (ii) would, upon the conversion or exchange of any security or the exercise of any right to convert or exchange securities into voting securities or to acquire voting securities or securities convertible or exchangeable into voting securities, beneficially own or exercise control or direction over, securities, which constitute in the aggregate more than thirty per cent of the outstanding securities of any class or series of voting securities of the registrant; or

(b) any entity in which—

- (i) the registrant beneficially owns, or exercises control or direction over, outstanding securities which constitute in the aggregate more than thirty per cent of the outstanding securities of any class or series of voting securities of the person; or
- (ii) the registrant, upon the conversion or exchange of any security or the exercise of any right to convert or exchange securities into voting securities or to acquire voting securities or securities

convertible or exchangeable into voting securities, would beneficially own or exercise control or direction over, securities, which constitute in the aggregate more than thirty per cent of the outstanding securities of any class or series of voting securities of the person.

(2) Notwithstanding paragraph (1), a person is not a related party of a registrant solely because the registrant, acting as an underwriter and in the ordinary course of its business, owns securities issued by the person in the course of a distribution.

Conflict of interest rules statement.

67. (1) Every registrant registered under section 51(1) of the Act shall prepare and file annually with the Commission a conflict of interest rules statement in the approved form at the time it files its audited financial statements with the Commission.

(2) A registrant registered under section 51(1) of the Act shall provide free of charge a copy of its current conflict of interest rules statement to each of its clients at the time he becomes a client of the registrant.

(3) In the event of any material change in the information required to be contained in the conflict of interest rules statement, the registrant shall—

- (a) forthwith prepare and file with the Commission a revised conflict of interest rules statement containing the information required by paragraph (1); and
- (b) within thirty days of the filing of the revised conflict of interest rules statement with the Commission, provide to each of its clients a copy thereof.

Limitations on trading-related parties of registrants.

68. (1) No registrant registered under section 51(1) of the Act shall, as principal or agent, trade in or purchase a security from, or on behalf of, any client, where the security is issued by the registrant or a related party of the registrant.

(2) A registrant is not subject to the prohibition in paragraph (1) if—

- (a) the registrant has, before entering into an agreement of purchase and sale respecting the security, delivered its current conflict of interest rules statement to the client, and all changes in such information required by bye-law 67(3) to be included in the conflict of interest rules statement; or
- (b) the client is purchasing as principal and is either a registrant or a related party of the registrant.

69. (1) No registrant registered under section 51(1) of the Act shall provide investment advice to any person where the security that is the subject of the investment advice is issued by the registrant or a related party of the registrant.

Limitations on
advising-related
parties of
registrants.

(2) A registrant registered under section 51(1) of the Act is not subject to the prohibition in paragraph (1) if before providing the investment advice—

- (a) the registrant delivers its current conflict of interest rules statement to the person receiving the investment advice, and all changes in such information required by bye-law 67(3) to be included in the conflict of interest rules statement; and
 - (b) the registrant discloses in writing the relationship between the registrant and the related party of the registrant to the person receiving the investment advice.
- (3) Paragraph (1) does not apply if—
- (a) the person receiving the investment advice is a registrant registered under section 51(1) of the Act or a related party of the registrant;
 - (b) the investment advice given by the registrant under section 51(1) of the Act is solely

incidental to a trade or purchase of the security carried out by the registrant and no fee is charged for the investment advice other than the usual and customary commission for the trade or purchase; or

(c) bye-law 70 applies.

Limitations on the exercise of discretion-related party of a registrant.

70. (1) No registrant registered under section 51(1) of the Act shall in respect of any account or portfolio over which it has discretionary authority, purchase or sell a security on behalf of such account or portfolio where the security is issued by the registrant or a related party of the registrant.

(2) A registrant registered under section 51(1) of the Act is not subject to the prohibition in paragraph (1) if—

(a) prior to the purchase or sale of the security on behalf of the account or portfolio the registrant delivers its current conflict of interest rules statement to the client whose account or portfolio the registrant has discretionary authority over, and all changes in such information required by bye-law 67(3) to be included in the conflict of interest rules statement; and

(b) the registrant has obtained the specific and informed written consent of the client to purchase or sell the security for, or from his account or portfolio.

(3) Paragraph (1) does not apply if the client is a registrant under section 51(1) of the Act or a related party of the registrant.

(4) No registrant under section 51(1) of the Act shall make a loan from any account or portfolio of a client over which it has discretionary authority.

Confirmation and reporting of transactions in securities of a related party of a registrant.

71. (1) The written confirmation of a transaction required by bye-law 36 shall in the case of a security issued by the registrant or a related party of the registrant, state that the security was issued by the registrant or a related party of the registrant.

(2) Any report, other than the written confirmation required by bye-law 36, sent or delivered by a registrant to a client respecting any trade or purchase of a security made by the registrant with, from, or on behalf of the client, including a trade or purchase of a security for an account or portfolio of the client over which the registrant has discretionary authority, shall in the case of a security issued by the registrant or a related party of the registrant, state that the security was issued by the registrant or a related party.

PART VIII

DISTRIBUTIONS

72. For the purposes of section 74 of the Act, an advertisement used in connection with a distribution, in addition to the requirements of the Act—

Advertisement
in connection
with a
distribution.

(a) shall contain the following statement:

“The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.”; and

(b) shall not contain any fact not disclosed in a prospectus for which a receipt has been issued by the Commission.

73. For the purposes of the exemptions provided for in section 79(1)(l)(i) of the Act an advertisement announcing the completion of an exempt distribution shall contain—

Advertisement
in connection
with certain
exempt
distributions.

(a) the name of the issuer to which the distribution relates;

(b) the names of all registrants registered under section 51(1) of the Act which have participated in the distribution; and

(c) a statement that the distribution has been completed and that the advertisement is appearing as a matter of public record only.

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Risk disclosure statement for asset-backed securities.

74. The risk disclosure statement required by section 79(2) of the Act shall be in the approved form.

Resale restriction statement.

75. For the purposes of section 79(3) of the Act, the certificate for a security distributed under an exemption contained in section 79(1)(a), (k), (l), or (m) of the Act shall contain the following statement:

“Unless permitted under the securities legislation of Trinidad and Tobago, the holder of these securities shall not trade the securities before [insert the date that is six months and a day after the distribution date].”

Submission to jurisdiction for approved foreign issuers.

76. (1) For the purposes of section 80(1)(a)(i) of the Act, the certificate stating that an issuer is an approved foreign issuer shall be in the approved form.

(2) For the purposes of section 80(1)(a)(v) of the Act, the form of submission to jurisdiction and appointment of agent for service of process shall be in the approved form.

(3) The form referred to in paragraph (2) shall be submitted to the Commission annually by the approved foreign issuer until six years after the repayment or maturity of any securities distributed by the approved foreign issuer in Trinidad and Tobago.

(4) Where the name or address of the person appointed as agent for service of process for an approved foreign issuer under section 80(1)(a)(v) of the Act changes, the approved foreign issuer shall revise the form referred to in paragraph (2) and submit it to the Commission within thirty days of the change.

(5) For the purposes of section 80(1)(b)(ii) of the Act, the addendum to the prospectus or offering document of an approved foreign issuer shall be in the approved form.

Marketing restrictions for prospectus offerings.

77. No person shall, in connection with the marketing of, or solicitation of interest in the distribution of, a security by means

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of a prospectus, make any oral or written representation or disclose any fact to any person with respect to the issuer or the securities being distributed under the prospectus which is not contained in the prospectus for which a receipt has been issued by the Commission.

78. For the purposes of section 79(1)(l)(iii)(B) of the Act, a prescribed person is a brokering representative, advising representative or underwriting representative.

Advice to individual accredited purchasers.

79. A post-distribution statement filed with the Commission under section 84 of the Act shall be in the approved form.

Post-distribution statements.

PART IX

SIMPLIFIED CLEARING FACILITIES

80. For the purposes of section 130(1) of the Act, an issuer shall give the clearing agency no less than seven days' notice of its intention to close its securities register or fix a record date.

Notice to clearing agency of closing of securities register.

PART X

DEALINGS BY PERSONS CONNECTED WITH ISSUERS

81. The report required to be filed with the Commission under section 136(1), (2), or (3) of the Act shall be in the approved form.

Report by persons connected to a reporting issuer.

PART XI

CONTINGENCY FUND AND SETTLEMENT ASSURANCE FUND

82. (1) In this Part—
“claimant” means a person who makes a claim against a contingency fund or settlement assurance fund except that the following shall not be regarded as claimants:

Definitions and application.

- (a) a member of a self-regulatory organisation;
- (b) the holder of thirty per cent or more of the issued capital of the defaulting member of the self-regulatory organisation; and
- (c) a broker-dealer;

“contingency fund” means a contingency fund required to be maintained pursuant to section 47(1) of the Act;

“settlement assurance fund” means a settlement assurance fund required to be maintained pursuant to section 47(2) of the Act;

“member”, in relation to a self-regulatory organisation, means a company duly licensed as a member company of a self-regulatory organisation that is a securities exchange.

(2) This Part applies only to a contingency fund or settlement assurance fund.

(3) A member shall participate in and contribute to a contingency fund and settlement assurance fund prescribed in this Part.

Purpose of funds—contingency fund and settlement assurance fund.

83. (1) A contingency fund shall be used solely for the purpose of providing compensation to clients of a member who suffer a financial loss as a result of the insolvency, bankruptcy or default of a member up to the maximum established in the obligatory rules of governance of the contingency fund.

(2) A settlement assurance fund shall be used solely to address the failure of a member to deliver securities or moneys required by the rules of governance of the clearing agency up to the maximum established in the obligatory rules of governance of the settlement assurance fund.

Administration of fund.

84. (1) A contingency fund or settlement assurance fund shall be vested in and managed by a board of trustees appointed by the board of directors of the self-regulatory organisation.

(2) The board of trustees of a contingency fund or settlement assurance fund shall comprise at least three individuals with a quorum being the majority.

(3) Members of the board of trustees shall serve for a term of three years and are eligible for reappointment.

(4) The appointment or removal of a member of the board of trustees shall be at the discretion of the board of directors of a self-regulatory organisation.

(5) All administrative costs including the remuneration of the board of trustees if applicable may be paid from the resources of the fund.

(6) Any remuneration paid to the board of trustees shall be approved by the board of directors of the self-regulatory organisation.

85. (1) The board of trustees of a contingency fund or settlement assurance fund may establish a trust account. Power of trustees.

(2) The board of trustees of a contingency fund or settlement assurance fund may incorporate income realised through investments as part of the contingency fund or settlement assurance fund.

(3) A contingency fund or settlement assurance fund may be retained partly or wholly in the form of cash or may be invested or reinvested in such interest bearing securities as the board of trustees may from time to time deem appropriate.

(4) The board of trustees may pledge any or all of the securities in a contingency fund or settlement assurance fund to secure the payment of any borrowing effected by the board of trustees, the proceeds of which shall be used to settle claims against a contingency fund or settlement assurance fund.

(5) The board of trustees may examine all claims made against a contingency fund or settlement assurance fund for authenticity and shall accept all legitimate claims made against a contingency fund or settlement assurance fund.

(6) The board of trustees may make proposals to the board of the self-regulatory organisation in respect of the operation of a contingency fund or settlement assurance fund.

(7) The board of trustees shall require all clients or members to do or concur in doing or permitting to be done in respect of a contingency fund or settlement assurance fund, at the expense of a contingency fund or settlement assurance fund all

such acts and things as may be necessary or reasonably required for the purpose of—

- (a) enforcing rights and remedies; or
- (b) obtaining relief or indemnity from other parties to which a contingency fund or settlement assurance fund shall be, or would become entitled or subrogated upon its paying for, or making good, any loss suffered by the client as a result of the default of a member of the self-regulatory organisation.

(8) The acceptance by a claimant of compensation from the board of trustees shall constitute consent by the claimant to be a party either solely or jointly with the board of trustees who may, where they consider it expedient to do so, join as parties with the claimant in respect of an action against a member for indemnity or damages.

(9) Where the board of trustees join as parties in an action against a member, the board of trustees may determine the conduct and settlement of proceedings relating to such action and the claimant shall provide the board of trustees with the relevant information to determine whether or not to proceed with the action.

(10) The board of trustees shall approve all administrative expenses of a contingency fund or settlement assurance fund.

Obligatory rules of governance.

86. (1) A self-regulatory organisation shall establish rules of governance for a contingency fund or a settlement assurance fund which comply with the Act and paragraph (2).

(2) For the purposes of section 39(1)(g) of the Act, the rules of governance for a contingency fund or a settlement assurance fund shall contain provisions relating to—

- (a) the scope of the fund including—
 - (i) the contributions to be made by the members into a fund;

- (ii) the criteria under which a claim may be considered and the form in which compensation may be paid; and
 - (iii) any limitation in respect of claims to be made against the fund inclusive of the maximum payment permissible per claimant, where applicable;
- (b) disciplinary action to be taken against a member who is in breach of the rules of the fund; and
- (c) general operating procedures including the procedure for the making and settlement of a claim including the timeframe in which a claim may be eligible.
- (3) For the purposes of assessing claims made against a contingency fund or settlement assurance fund, the board of trustees—
- (a) shall exercise their best efforts to obtain a statement of facts in relation to a claim made;
 - (b) may obtain information from such other sources as may be considered relevant in the evaluation of claims; and
 - (c) shall make every effort to settle claims within the limit set by the self-regulatory organisation.
- (4) For the avoidance of doubt, in no case is there any legal right to compensation or any duty on the part of the board of trustees to award compensation with respect to any claim or a payment from a contingency fund or settlement assurance fund as an *ex gratia* payment.
- (5) Subject to section 49 of the Act, no member of a self-regulatory organisation shall take any proceedings in any Court with respect to anything done or omitted to be done by the board of trustees in the exercise of their absolute discretion in the administration of a contingency fund or settlement assurance

fund, or the application of its assets unless that member refers the decision of the board of trustees to the self-regulatory organisation and the self-regulatory organisation gives its decision thereon.

Accounting for the fund.

87. (1) The board of trustees of a contingency fund or a settlement assurance fund shall maintain appropriate accounting records for the fund and submit annual financial statements to the self-regulatory organisation.

(2) The financial year end of a contingency fund or a settlement assurance fund shall be 31st December of every calendar year or such other date as the self-regulatory organisation may determine subject to written notification being given to the Commission.

Appointment of auditors.

88. (1) The board of directors of a self-regulatory organisation shall appoint an auditor to audit the financial statements of a contingency fund or settlement assurance fund.

(2) An auditor appointed under paragraph (1) shall provide an opinion on the accounts of the contingency fund or settlement assurance fund which shall be available for inspection by members of the self-regulatory organisation.

Refusal of claims.

89. (1) If, after consideration by the board of trustees, a claim is refused, the claimant shall be notified of the reasons for the refusal and the claimant may appeal to the board of the self-regulatory organisation.

(2) A refusal of a claim shall not prejudice the legal rights of the claimant as a creditor of the member of the self-regulatory organisation in relation to whom the claim is made.

Winding up of fund.

90. (1) A contingency fund or settlement assurance fund shall only be wound up in the event of dissolution of the self-regulatory organisation.

(2) For the purposes of the winding up of a contingency fund or settlement assurance fund, the board of trustees shall first

realise the assets of the fund and after meeting all liabilities, the assets so realised shall form part of the assets of the self-regulatory organisation and shall be appropriated or utilised accordingly among the members of the self-regulatory organisation.

PART XII

AUDITORS

91. For the purpose of section 65(6) of the Act, in relation to a reporting issuer that is an approved foreign issuer, any auditor that would be permitted to be an auditor of the approved foreign issuer under the securities laws of a designated foreign jurisdiction under which the approved foreign issuer is subject to foreign disclosure requirements is an acceptable auditor under the Act.

Acceptable
auditors.

92. A registrant or self-regulatory organisation shall not appoint an auditor unless—

Qualifications
of auditors.

- (a) the auditor is an entity having the capacity and resources to satisfactorily audit the registrant;
- (b) at least one member of the auditor is a practising member in good standing with ICATT or such equivalent body and meets any other requirements as the Commission may approve; and
- (c) each audit partner, having primary responsibility for the audit of the registrant is independent, within the meaning of bye-law 93.

93. (1) For the purposes of bye-law 92(c), a member of an auditor is not independent of the registrant or self-regulatory organisation if he—

Criteria for
independence
of auditors.

- (a) is a connected party of the registrant or self-regulatory organisation;
- (b) beneficially owns or controls, directly or indirectly five per cent or more of the shares or other securities of the registrant or self-regulatory organisation or of any of its affiliates;

- (c) is indebted to the registrant or self-regulatory organisation or any of its affiliates other than by virtue of a fully collateralised loan; or
- (d) has within two years immediately preceding the appointment of the auditor, been a receiver, receiver-manager, liquidator or trustee in bankruptcy of any affiliate of the registrant or self-regulatory organisation other than a subsidiary or affiliate acquired through a realisation of security.

(2) For the purposes of paragraph (1)(a), a person is a connected party of a registrant or self-regulatory organisation if the person—

- (a) is a senior officer of the registrant or self-regulatory organisation; or
- (b) is a senior officer of—
 - (i) an affiliate of the registrant or self-regulatory organisation; or
 - (ii) an entity that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the registrant or self-regulatory organisation, carrying an aggregate of ten per cent or more of the votes attached to all outstanding voting securities of the registrant or self-regulatory organisation.

Limit on time frame of auditor for SRO or registrants.

94. A member of an auditor shall not have primary responsibility for the audit of a registrant or self-regulatory organisation for a period of more than five consecutive years.

Restriction on activities provided by auditors to SRO or registrants.

95. The auditor of a registrant or self-regulatory organisation shall not provide to that registrant or self-regulatory organisation—

- (a) bookkeeping or other services related to its accounting records or financial statements;
- (b) financial information systems design and implementation services;

- (c) actuarial services;
- (d) internal audit outsourcing services; or
- (e) such other non-audit related services as the Commission may specify.

96. Where the Commission is not satisfied with the audited annual financial statements or report of the auditor appointed by a registrant or self-regulatory organisation, the Commission may appoint another auditor to conduct an independent audit and shall fix the remuneration to be paid to the auditor by the registrant or self-regulatory organisation.

Appointment of auditor by the Commission.

97. A registrant or self-regulatory organisation shall forthwith give written notice, together with reasons, to the Commission if—

Notification in respect of auditors.

- (a) it intends to terminate the appointment of its auditor before the expiration of its term of office;
- (b) it intends to replace an auditor at the expiration of its term with a different auditor; or
- (c) an auditor ceases to be an auditor of the registrant or self-regulatory organisation in circumstances otherwise than those set out in paragraphs (a) and (b).

98. The auditor of a registrant or self-regulatory organisation shall forthwith give written notice to the Commission if he—

Notice on resignation of auditor.

- (a) resigns before the expiration of his term of office; or
- (b) does not seek reappointment,

together with reasons for such resignation or decision not to seek reappointment.

99. Where the auditor of a registrant or self-regulatory organisation is to be removed as a result of a disagreement with the senior officers of a registrant or self-regulatory organisation, the auditor shall submit to the registrant or self-regulatory

Notice of removal of auditor.

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organisation, and to the Commission, a written statement setting out the nature of the disagreement.

Appointment of replacement auditor.

100. (1) Where the auditor of a registrant or self-regulatory organisation has resigned or the appointment of the auditor has been revoked, no person shall accept an appointment as auditor of that registrant or self-regulatory organisation until the person has requested and received from the auditor who has resigned or whose appointment as auditor has been revoked, a written statement of the circumstances and reasons for such resignation or why, in the opinion of the former auditor, his appointment was revoked.

(2) Notwithstanding paragraph (1), a person may accept an appointment as auditor of a registrant or self-regulatory organisation if, within fifteen days after a request under paragraph (1) is made, no reply from the former auditor is received.

PART XIII

MISCELLANEOUS

Imposition of penalty.

101. Where a person fails to comply with a requirement of these Bye-laws, the Commission may impose a penalty as set out in section 148(2A) or an administrative fine in accordance with section 156.

Securities Industry Bye-Laws revoked LN 102/1997.

102. The Securities Industry Bye-Laws are revoked.

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SCHEDULE 1

FEES

<i>Proposed Registration and Renewal Fees for Registrants</i>		
	Initial	Renewal
Reporting Issuer	\$8,000	\$8,000
Broker-Dealer	\$25,000	\$25,000
Broker-Dealer also conducting business as an Underwriter	\$30,000	\$30,000
Underwriter	\$20,000	\$20,000
Investment Adviser – Corporation	\$15,000	\$15,000
Investment Adviser – Individual	\$10,000	\$10,000
Registered Representative – per individual	\$2,000	\$2,000
Sponsored Broker-Dealer of Investment Adviser	\$5,000	n/a
Substantial shareholder – per shareholder	\$1,000	n/a
Branch Office – per office	\$3,000	\$3,000

<i>Proposed Registration and Renewal Fees for Self-Regulatory Organisations</i>		
	Initial	Renewal
Self-Regulatory Organisation	\$50,000	The higher of \$30,000 or 0.02% of the profits of the Self-Regulatory Organisation in the prior financial year
Self-Regulatory Organisation–Stock Exchange	\$50,000	0.02% of value of transactions in each year based on audited financial statements

<i>Proposed Registration Fees for Securities</i>	
Filing of a Distribution Statement	\$1,000
Market Access Fees for Securities (including close end CISs)	0.01% of the value of the funds raised subject to a minimum of \$1,000
Market Access Fees for open end CISs	0.01% of the value of funds raised in previous year (based on Audited accounts)

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SCHEDULE 1—FEES—Continued

<i>Proposed Filing Fees</i>	
Filing of Prospectus	\$17,500
Filing of Information Memorandum	\$10,000
Filing of takeover bid-circular or Issuer Bid Circular	\$15,000
Filing of a Notice of Change or Notice of Variation under the Take-Over Bye-laws	\$1,000

<i>Other Proposed Fees</i>	
Inspection of and Extracts of Register	Nominal fee of \$100 per visit plus \$3.00 p/page copied
Application for de-listing a security from a SRO that is a Securities Exchange	\$1,000
Application for de-registration as a Reporting Issuer	\$1,000

<i>Proposed Inspection and Examination Fees</i>	
Compliance review	No Fee at this time
Examinations of Market Actors	No Fee at this time
Costs associated with an investigation	No Fee at this time

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SCHEDULE 2

FIT AND PROPER REQUIREMENTS

1. For the purposes of this Schedule, “regulated activity” means the activity carried on or proposed to be carried on by a person that is required to be registered or approved by the Commission under the Act.

2. In considering whether a person is fit and proper for the purposes of any provision of the Act or these Bye-laws, the Commission shall, in addition to any other matter that the Commission may consider relevant, have regard to—

- (a) the financial status or solvency of the person;
- (b) the educational or other qualifications or experience of the person, having regard to the nature of the functions that, if the application is allowed or granted, the person will perform;
- (c) the ability of the person to carry on the regulated activity or execute its fiduciary duty, competently and fairly;
- (d) the reputation, character, reliability and financial integrity, of the person;
- (e) where the person is an individual, the individual himself; or
- (f) where the person is an entity, the entity and any senior officer or significant security holder of the entity.

3. Without limiting the generality of subsection (2), the Commission may in considering whether a person is fit and proper, take into account—

- (a) any enforcement action or other decision made in respect of the person by the Commission or any other regulatory authority or any disciplinary action taken by a professional body in respect of that person including but not limited to:
 - (i) whether the person has been expelled from the Stock Exchange, any other self-regulatory organisation or otherwise disqualified by a professional body in relation to any trade, business or profession;
 - (ii) whether the person’s registration to conduct securities business or other forms of financial business has been revoked by a securities regulator or any other financial regulatory authority; and
 - (iii) whether the person has been charged or convicted of an offence under the Act or the former Act;
- (b) where the person is an individual—
 - (i) his competence and soundness of judgment for fulfilling the responsibilities of the relevant position,

SCHEDULE 2—Continued

the diligence with which he is fulfilling or likely to fulfil those responsibilities and whether the interests of investors, clients or potential investors or clients are, or are likely to be, in any way threatened by his holding that position;

- (ii) whether the person has an employment record which leads the Commission to believe that the person carried out an act of impropriety in the handling of his employer's business;
 - (iii) whether the person has been the subject of an investigation conducted by a regulatory or criminal investigative body;
 - (iv) whether the person has been barred by the Commission, another regulator or Court of law from working or otherwise holding a position of a senior officer within an entity which conducts business in the financial or securities industry of Trinidad and Tobago or elsewhere;
 - (v) whether the person has engaged in, or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence or soundness of judgment; and
 - (vi) whether the person was a senior officer of an entity company which was—
 - (A) disqualified by any professional or regulatory body in relation to any trade, business or profession while he was a senior officer of that entity; and
 - (B) the subject of an investigation conducted by a regulatory or criminal investigative body while he was a senior officer of that entity;
- (c) any information in the possession of the Commission, whether provided by the person or not, relating to—
- (i) the person;
 - (ii) any person who is, or is to be employed by, or associated with the person for the purposes of the regulated activity for which registration and approval is granted or the application is made;

- (iii) any other person who will be acting for or on behalf of the person in relation to the related activity;
- (iv) where the person is an entity which is part of a group of entities—
 - (A) any other entity in the same group; or
 - (B) any substantial shareholder or senior officer of any other entity in the group of entities; and
- (v) the financial integrity of the person including but not limited to—
 - (A) whether the person has a receivership or bankruptcy order made against the person and whether such order remains undischarged; and
 - (B) whether the person has been charged at the time of the application, or been convicted at any time, of an offence involving fraud or dishonesty;
- (d) where the consideration relates to an application for registration under section 51(1) or as a self-regulatory organisation, or to a current registrant of the Commission, excluding a reporting issuer, whether the person has established effective internal control procedures and risk management systems to ensure compliance with all applicable regulatory requirements; and
- (e) the state of affairs of any other business that the person carries on or proposes to carry on.

SCHEDULE 3

NOTIFICATIONS REQUIREMENTS

List A—Changes Requiring Notification by Registrants Registered under section 51(1) of the Act

For the purposes of section 56(4) of the Act and bye-law 53, a registrant registered under section 51(1) of the Act shall notify the Commission in the approved form of any of the following in relation to the registrant:

- (a) the presentation of a petition for the winding up of the registrant or the summoning of any meeting to consider such a winding up;
- (b) the application by another person for the appointment of a receiver, administrator or trustee of the registrant;
- (c) the appointment of inspectors by a domestic or foreign regulatory authority to investigate the affairs of the registrant;
- (d) any claims on, or material changes to the indemnity insurance arrangements of the registrant;
- (e) any hiring, resignation, dismissal, or retirement of a senior officer, designated person, registered representative or an individual in charge of the operations of any branch office of the registrant, by, or from the registrant and in the case of a dismissal, the reason therefor;
- (f) where the registrant becomes aware that any of its senior officers or registered representatives has been charged or convicted of fraud or any other offence involving dishonesty;
- (g) any material breakdown of administrative or control procedures, including breakdowns of computer systems or other problems resulting or likely to result in failure to maintain proper records, and the steps that the registrant proposes to take to correct the problem;
- (h) the date on which the registrant proposes to cease to carry on business for which registration is required under the Act and the reasons for the cessation;
- (i) a breach by the registrant of the requirements regarding financial resources, maintenance of any prescribed capital requirement under the Act and these Bye-laws, books and records and risk management and internal controls, together with details of the steps that it is taking to remedy the breach;
- (j) any change made to the ending date of the financial year of the registrant;

- (k) where the registrant has reason to believe that it may be unable to submit financial statements required under the Act and these Bye-laws within the time specified in the Act or these Bye-laws;
- (l) where the registrant has reason to believe that it may be unable to pay its annual renewal fees to the Commission;
- (m) the failure of any bank or other entity with which the registrant has deposited or to which it has passed client money, and for these purposes “failure” means the appointment of a liquidator, receiver, administrator or trustee in bankruptcy or any equivalent procedure in the relevant jurisdiction;
- (n) where the registrant is party to any legal proceeding in Trinidad and Tobago or elsewhere, and the actual or contingent claim, or any amount claimed or disputed by, or against the registrant in relation to its business is likely to exceed ten per cent of its financial resources;
- (o) the opening and closing of any branch office in Trinidad and Tobago, of a person registered under section 51(1) of the Act, and the name of the most senior person responsible for the operations thereof;
- (p) any change in the registered name, registered address or contact information of the registrant; or
- (q) any development that poses material risk to the operation of the registrant registered under section 51(1) of the Act.

List B—Changes Requiring Notification by Reporting Issuers Registered under section 61(1) of the Act

For the purposes of section 56(4) of the Act and bye-law 53, a registrant registered under section 61 of the Act shall notify the Commission in the approved form of the following in relation to the reporting issuer:

- (a) any hiring, resignation, dismissal or retirement of a senior officer or designated person by, or from the reporting issuer and in the case of a dismissal, the reason therefor;
- (b) the repayment or maturity of, or default of payment on, any security issued by the reporting issuer other than a reporting issuer that is a collective investment scheme;
- (c) any change made to the ending date of the financial year of the reporting issuer;

SCHEDULE 3—Continued

- (d) where the reporting issuer has reason to believe that it may be unable to submit financial statements required under the Act and these Bye-laws within the time specified in the Act or these Bye-laws;
 - (e) where the reporting issuer is party to any legal proceeding, in Trinidad and Tobago or elsewhere, and the actual or contingent claim, or any amount claimed or disputed by, or against the reporting issuer in relation to its business is likely to exceed ten per cent of its financial resources;
 - (f) any change in the registered name, registered address or contact information of the reporting issuer; or
 - (g) any change in the constituent documents of the reporting issuer.
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APPENDIX

*Subsidiary Legislation made under previous Act now
saved under Section 170(2) of the Act.*

SUBSIDIARY LEGISLATION

TRINIDAD AND TOBAGO STOCK EXCHANGE RULES

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approved by the Commission under section 35

174/1987*.
[150/1988†
136/1994‡
226/2001].

DEFINITIONS

GENERAL RULES

In these Rules—

Definitions.

“the Act” means the Securities Industry Act;

“the Board” means the Board of Directors of the Stock Exchange;

“the Companies Act” means the Companies Act, and any amendments thereof or any modifications or replacements thereto; Ch. 81:01.

“contract note” means the instrument required to be made and issued under section 122(1) of the Act;

“dealer” means an individual employed by a member company of the Stock Exchange for the purpose of trading on the Stock Exchange on behalf of such member company and approved and authorised by the Board under rule 501;

“limited corporate member” or “member company” or “member” means a company duly licensed as a member of the Stock Exchange;

“listed company” means a company whose securities have been admitted for quotations on the Stock Exchange under these Rules;

“listed securities” means securities admitted for listing pursuant to the Stock Exchange’s Rules and Regulations;

“the Managing Director” means the Manager Director of the Stock Exchange appointed under Article 30 of the Articles of Association of the Trinidad and Tobago Stock Exchange;

“official list” means the list prepared and published by the Stock Exchange in accordance with its Rules and Regulations;

“the Seal” means the seal of the Stock Exchange;

“the secretary” means the secretary to the Board appointed under the Articles of Association of the Trinidad and Tobago Stock Exchange;

* The Stock Exchange Rules was published as a Special Supplement to the Trinidad and Tobago *Gazette*, Vol. 26, No. 174 dated June 1987.

† The reference to rule 213(4) of the Rules in rule 2(b) of LN 150/1988 was in fact a reference to rule 212(4).

‡ The reference to rule 211 of the Rules in rule 2 of LN 136/1994 was in fact a reference to rule 210 which was identical to that rule.

“security” means any document evidencing ownership or any interest in the capital or debt, property, profits, earnings or royalties of any enterprise or proposed enterprise and without limiting the generality of the foregoing, includes any—

- (a) bond, debenture, note or other evidence of indebtedness;
- (b) share, stock, unit, unit certificate, participation certificate or certificate of share or interest;
- (c) instrument commonly known as security;
- (d) instrument or document constituting evidence of any interest or participation—
 - (i) a profit sharing agreement;
 - (ii) a trust;
 - (iii) an oil, natural gas or mining lease, claim or royalty or other mineral right; or
- (e) right to acquire or dispose of anything specified in paragraphs (a) to (d);

but does not include—

- (f) currency;
- (g) a cheque, bill of exchange or bank letter of credit;
- (h) a certificate or document constituting evidence of any interest in a deposit account with—
 - (i) a financial institution;
 - (ii) a credit union within the meaning of the Co-operative Societies Act;
 - (iii) an insurance company;
- (i) a contract of insurance issued by an issuer;

“SEC” means securities and exchange commission;

“stockbroker” or “broker” means a person licensed to practise in accordance with the Rules and Regulations of the Stock Exchange;

“Stock Exchange” or “Exchange” means the Stock Exchange established under the Securities Industry Act;

“Stock Exchange transaction” means a sale and purchase of securities in which each of the parties is a member company or a stockbroker acting in the ordinary course of business as such, or is acting through the agency of such a member company or stockbroker;

“substantial shareholding” means one-tenth or more of the issued share capital of any institution or company;

“trade or trading” includes—

- (a) any sale or purchase of a security;
- (b) any participation as a dealer, trader, broker, underwriter or agent in any transaction in a security;
- (c) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any activity referred to in paragraphs (a) to (b).

APPLICATION TO BE LICENSED AS A STOCKBROKER

Subject to the provisions of the rules of the Exchange, all applicants for licensing as a stockbroker— Rule 100.

- (a) shall be registered with the Securities and Exchange Commission (SEC);
- (b) every application shall be in writing and be proposed and seconded by two members of the Board, and shall be accompanied by such documents and information as may be prescribed;
- (c) the Secretary may refuse to accept an application if the Exchange has within a period of twelve months immediately preceding the application refused licensing of the applicant;
- (d) it shall be stated in the application whether the applicant has professional or business connections or substantial shareholding in any banking institution, insurance company, management company of mutual funds, or trust company, and the exchange shall take such matters into account in determining whether or not to grant the application;

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- (e) a licence shall not be issued to any applicant who holds a position as a director on the Board of any listed company;
- (f) where the Exchange is satisfied that the applicant has complied with the requirements of the applicable rules and is a suitable person to be licensed, the Exchange shall licence the applicant as a stockbroker, and shall upon payment of the prescribed fee issue to him/her a licence to trade in the prescribed form;
- (g) for purposes of determining suitability, the Exchange may require an applicant to sit and pass a written or oral examination set by the Exchange;
- (h) a licence issued by the Exchange shall be valid for a period of three years. However, if after the licence has been issued, any material change takes place in the facts of information, the person who filed the application must promptly file with the Exchange an amendment disclosing the change;
- (i) subject to any notification of change by the Exchange, the annual licence fee for the time being shall be \$2,500 and such fee shall be payable on January 1, each year;
- (j) where the Exchange refuses to license an applicant, it shall notify the applicant in writing of the reasons for so doing.

REGISTER OF MEMBERSHIP AND OF STOCKBROKERS

Rule 101.

- (1) The Exchange shall—
 - (a) establish and maintain a register of membership in the prescribed form of all companies admitted as members;
 - (b) make all necessary alterations of and amendments to the particulars of a member as the occasion arises;

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- (c) delete from the register the names and particulars of members whose registration has been cancelled by the SEC or whose name has been removed from the register kept under the Companies Act; Ch. 81:01.
 - (d) record in the register the suspension from practice of any member.
- (2) The Exchange shall—
 - (a) establish and maintain a register of stockbrokers duly licensed;
 - (b) delete from the register of stockbrokers any person whose registration has been cancelled by the SEC;
 - (c) record in the register of stockbrokers the suspension from practice of any stockbroker.
- (3) No stockbroker shall employ in any capacity any person—
 - (a) whose registration as a stockbroker has been cancelled;
 - (b) who has been suspended from trading as a stockbroker;
 - (c) whose registration has been refused by SEC.

ADMITTANCE TO MEMBERSHIP

- (1) Every application for membership of the Stock Exchange shall be proposed and seconded by two members of the Stock Exchange and shall be accompanied by—
 - (a) a statement which shall contain the name and description of the applicant, the address of its registered office in Trinidad and Tobago, and the name and address and nationality of each of its directors one of whom shall be a broker;
 - (b) a certified copy of its Memorandum and Articles of Association together with a certified copy of its certificate of incorporation;

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(c) proof that the company has a minimum paid up share capital of one million dollars.

(2) Before admitting the applicant as a member, the Exchange must approve of the Memorandum and Articles of Association referred to in rule 102(1)(b), and must be satisfied that the applicant's principal business is dealing in securities and is active in such business.

(3) Upon being satisfied that the applicant satisfies the criteria for membership specified in the Rules, the Exchange shall, subject to the applicant being registered and approved by the Commission, admit such member upon payment of the prescribed fee.

(4) Where the Exchange refuses an application for membership, it shall at once file with the Commission a copy of the decision, the reasons thereof and any other information required by the Commission.

(5) When an application for membership has been refused, the applicant may appeal to the Commission for a review of the Exchange's decision. If upon review the Commission is of the opinion that the applicant should be admitted, the Exchange upon receiving notice of same, shall admit the applicant.

(6) No member shall alter its Memorandum and Articles of Association without the consent of the Exchange in writing.

(7) A member shall give immediate notice in writing to the Exchange of the death, retirement, bankruptcy or resignation of any of its directors and shall not go into voluntary liquidation without the prior approval of the Exchange.

DISCIPLINARY POWERS OF EXCHANGE

Rule 103.
[226/2001].

(1) Where the Exchange considers that a member company, stockbroker or dealer—

(a) has been guilty of negligence in trading on the Stock Exchange;

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- (b) has obtained a licence to trade by fraud, mistake or material mis-statement;
- (c) has defaulted in payment of any monies due to the Stock Exchange or to a member;
- (d) has contravened any of its rules;
- (e) is unsuitable to trade on the Stock Exchange by reason of any other circumstances whatsoever, which either are likely to lead to the improper conduct of business by him, or reflect discredit upon his method of conducting business,

it may cancel the person's licence, or it may suspend him and/or the firm from trading, or it may impose a fine and/or censure him or the firm.

(2) Where the Exchange cancels a person's licence, or suspends him or the firm from trading or imposes a fine, such person or firm shall not resume trading until his/its licence has been renewed, or the suspension has been removed, or the fine paid, as the case may be.

(3) Where the Exchange suspends a person or firm from trading, or imposes a fine under this rule, it shall forthwith notify the Commission, stating the reasons thereof and any other information required by the Commission.

(4) All proceedings under this rule, shall be conducted at a hearing in accordance with the procedures laid down by the Exchange.

(5) The Exchange may from time to time appoint a Hearing Panel to be composed of representatives of members and listed companies and/or members of the investing public.

(6) The Hearing Panel referred to in subrule (5) shall hear and receive evidence and submissions on any matter referred to it by the Exchange, for the purpose of informing the Exchange of the evidence and submissions.

(7) The Exchange shall consider the evidence and submissions before reaching its decision based thereon.

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(8) All decisions made by the Exchange may, on appeal, be subject to review by the Commission who may—

- (a) affirm or modify the sanction imposed, where it finds that the person disciplined contravened the rules of the Exchange;
- (b) set aside the sanction imposed if it does not so find; and
- (c) refer the matter to the Exchange for further proceedings.

(9) Where a person has been charged for a breach of any of the rules of the Exchange such person may be suspended from trading, but such suspension shall cease upon the dismissal of the charge, or upon the withdrawal of the proceedings.

FINANCIAL—STOCK EXCHANGE

Rule 104.
[226/2001].

(1) The funds of the Stock Exchange shall consist of—

- (a) fees paid by issuing companies for the inclusion of their securities in the official list;
- (b) such fees, subscriptions, and charges that become payable to the Stock Exchange under its rules;
- (c) charges payable by non-members of the Stock Exchange for services rendered;
- (d) such other monies and assets that may accrue to the Stock Exchange.

(2) The Exchange shall have the power to prescribe all fees, subscriptions and charges mentioned in rule 104(1) above.

- (a) The secretary shall keep proper books of accounts of—
 - (i) all monies received and expended by the Stock Exchange and shall record the matters in respect of which such monies have been received and expended;
 - (ii) the assets and liabilities of the Stock Exchange;

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- (b) where assets are held upon any special trusts, the receipts and expenditure relating to such trust shall be kept in an account separate and apart from all other receipts and expenditure;
- (c) all accounts shall be kept in the office of the Stock Exchange in Port-of-Spain for a period of six years after the last entry therein, and shall be open to inspection by members of the Board and by the auditors;
- (d) within four months after the end of each financial year, the Exchange shall prepare in respect of that year—
 - (i) an account of the revenue and expenditure of the Stock Exchange;
 - (ii) a balance sheet;
 - (iii) such other accounts as the Commission may require;
 - (iv) an Annual Report;
- (e) accounts prepared by the Exchange shall be audited by a duly appointed auditor, and shall be signed by the Chairman and not less than two other directors;
- (f) the Exchange shall send copies of the signed accounts to every member of the Board, every member of the Stock Exchange, and the auditor.

(3) (a) The Stock Exchange shall appoint an auditor who shall be a member in good standing of the Institute of Chartered Accountants of Trinidad and Tobago.

(b) The auditor appointed under 104(3)(a) above shall have the right if requested by the Exchange to examine all books, accounts, stock registers and other records required to be kept by members pursuant to the Exchange's Rules.

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**MINIMUM CAPITAL REQUIREMENTS,
BOOKS AND RECORDS**

Rule 105.

(1) A Broker shall maintain at all times a minimum net worth as defined in Exchange Rule 300 12(a) of one million dollars or such other amount as the Exchange may from time to time prescribe.

(2) A member shall keep such books, accounts, stock registers and such other records—

- (a) as may be necessary to show the nature and details of all dealings and transactions entered into it;
- (b) as may be required to explain transactions and the financial status of its business at any time;
- (c) to enable a true profit and loss account and balance sheet to be prepared from time to time,

and such other books and records as the Stock Exchange may from time to time prescribe.

DILIGENCE AS TO CUSTOMER ACCOUNTS

Rule 106.
[226/2001].

(1) Every member of the Exchange is required through its Managing Director or a person designated to—

- (a) use due diligence to learn the essential facts relative to every customer, every order, every cash or other securities transaction accepted or carried by such member and every person holding power of attorney over any account accepted or carried by such member;
- (b) supervise diligently all accounts handled;
- (c) specifically approve the opening of an account prior to or promptly after the completion of any transaction for the account with a customer. The Managing Director or other designated person approving the opening of the account shall, prior to giving his approval, be personally informed as to the essential facts relative to the customer and to the nature of the proposed account and shall indicate his approval in writing on a document which is a part of the permanent records of his office or organisation;

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(d) to establish the identity, and where applicable the creditworthiness of the client.

(2) If information known to the registrant, under Part IV, of the Act, causes doubt as to whether the client is of good reputation, the reputation of the client and every registrant under Part IV is required by bye-law 31(1)(b) to make enquiries concerning each client in order to determine the general investment needs of the client and the suitability of a proposed purchase or sale for that client.

TRUST ACCOUNTS

(1) A member shall establish and keep in a commercial bank or banks in Trinidad and Tobago one or more trust accounts designated as such into which it shall pay—

Rule 107.
[226/2001].

(a) all amounts less any commission and other proper charges that are received from or on account of any person, other than another broker or securities company for the purchase of securities not delivered to the broker or securities company within three working days; and

(b) all amounts, less any commission and other proper charges, that are received on account of any person other than a broker or securities company, from the sale of securities and not paid to that person or as that person directs within three working days.

(2) Save as otherwise provided under this rule moneys held in trust accounts in accordance with this section shall not be available for payment of the debts or expenses of a member, or be liable to be paid or taken in execution under an order or process of any Court.

(3) A member shall not withdraw any moneys from a trust account established under rule 107 except for the purpose of making payment on behalf of or to the person lawfully entitled thereto, or for any other purpose duly authorised by law.

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(4) Nothing in these Rules shall be construed as affecting in any way any lawful claim or lien which any person may have against or upon any monies held in a trust account, or against or upon any monies received for the purchase of securities, or from the sale of securities, before such monies are paid into a trust account.

AUDIT OF MEMBER COMPANIES

Rule 108.

(1) A member shall appoint an auditor who is a member of the Institute of Chartered Accountants of Trinidad and Tobago, and where for any reason that auditor ceases to hold office, the member shall appoint another approved auditor in his place.

(2) Within four months after the end of its financial year, a member shall prepare a balance sheet and a profit and loss account in respect of that year, and shall submit such balance sheet and accounts and all other relevant documents to the auditor.

(3) The auditor shall, if he is so satisfied, certify that the business of the member has been conducted in accordance with the rules of the Exchange, and that the balance sheet and profit and loss account are true and fair statements of the business of the member in respect of that financial year, and he shall submit a copy of the accounts so certified to the Exchange and the Commission.

(4) Where the auditor is not satisfied in relation to the matters set out in rule 118 (3), he shall qualify the accounts and notify the Exchange and the Commission accordingly.

(5) Upon receipt of the notification under rule 108(4), the Exchange shall suspend the member from trading on the Stock Exchange, and shall notify the Commission accordingly. Such suspension shall not be removed until the auditor appointed by the Exchange under rule 104(3)(a) certifies as in rule 108(3).

INDEMNITY INSURANCE

Rule 109.

Every member shall to the satisfaction of the Exchange effect appropriate policies of insurance for the purpose of indemnifying

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itself against any liability that may be incurred as a result of any act or omission of any of its officers or employees.

CONDUCT OF SECURITY BUSINESS

(1) A broker shall not trade on the Stock Exchange other than in the name and on behalf of a member of which he is himself a member. Rule 110.

(2) The beneficial ownership of any security sold on the Floor of the Stock Exchange shall pass from seller to buyer with effect from the date of the transaction together with all rights and interests in such security unless such rights and interests are expressly excluded by the terms of the contract of sale in which case the nature of the exclusion and its extent shall be recorded at the time of the transaction in the contract note as provided for in rule 112.

(3) (a) Subject to rule 110(3)(b) a member may trade in securities on the stock market both as an agent and as a principal.

(b) Where a member seeks to purchase securities on the stock market as a principal, and there is a competing bid on behalf of a client for the purchase of those securities which equals the bid made by the member, such competing bid shall be preferred to that made by the member.

(c) For the purposes of this section under this rule trading as a principal includes trading on behalf of a corporation in which the member or its directors have a controlling interest.

(d) Where a member purchases securities on the Floor as a principal, it shall record such securities in a book of accounts separate from the book of accounts relating to securities held as an agent.

(e) Where a member seeks to purchase securities as a principal, it shall so declare in its bid, and where it fails so to do, the vendor may rescind the contract by giving the member a notice of the rescission in writing within seven days after the receipt of the contract note, and shall send a copy of the notice to the Exchange.

(f) The Exchange shall have the power to vary the number of members making markets in specified listed securities.

PROHIBITION OF FALSE MARKETS

Rule 111.

(1) It is unlawful for any person directly or indirectly for the purpose of creating a false market in any security—

(a) to effect any transaction in such security which involves no change in the beneficial ownership thereof; or

(b) to enter an order or orders for the purchase of security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price, has or have been or will be entered by or for the same or different parties.

(2) For the purposes of this rule a false market is a market in which the movement in the price of a security is brought about or sought to be brought about by contrived factors such as the collaboration between buyer and seller calculated to create a movement of the price of the security not justified by the assets earnings or prospects related to that security.

CONTRACT NOTE OR CONFIRMATION OF TRADE

Rule 112.
[226/2001].

(1) Any member who effects any sale or purchase of any listed security shall within twenty-four hours after the sale or purchase make and transmit a contract note of the transaction to its client.

(2) A contract note or confirmation shall—

(a) advise of the sale or purchase of the listed security;

(b) state the price at and the consideration for which the sale or purchase was effected and the commission charged in connection therewith and any other proper charges;

- (c) identify the member involved in the sale or purchase;
- (d) contain such further particulars as may from time to time be required by the Exchange; and
- (e) include the date and time at which the purchase or sale took place and whether the member or registered broker acted as principal or agent.

(3) No member or any other person shall have any legal claim to any commission or other fees with respect to the sale or purchase of any security when there is failure to comply under these Rules.

STOCK TRANSFER

(1) Notwithstanding any provision to the contrary in the Memorandum and Articles of Association of a listed company — Rule 113.

- (a) listed securities may be transferred by means of an instrument in the prescribed form, (to be called the Stock Transfer Form) executed by the transferor only and specifying the particulars of the consideration, the description and number or amount of the securities, the person by whom the transfer is made, and the full name and address of the transferee;
- (b) where listed securities represented by a single certificate are purchased by more than one person, in addition to the Stock Transfer Form, instruments in the prescribed form (to be called the Brokers Transfer Form) shall be executed in respect of each transferee identifying the transferor, the stock transferred, and specifying the securities to which each such instrument relates and the consideration paid by each transferee for those securities.

(2) Where listed securities are purchased by more than one person, the Stock Exchange is empowered to certify the Broker Transfer Forms against the Stock Transfer Form.

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PUBLICATION OF PARTICULARS OF LISTED COMPANIES

Rule 114.

(1) The Exchange shall publish the following information in respect of each listed company in a manner that is readily available to the public:

- (a) the full name and description of the company, its registered address and that of its registrar;
- (b) the names and addresses of the directors of the company;
- (c) the date of the company's incorporation or formation together with a brief history of its operations;
- (d) the structure of the company's authorised and issued capital, together with its recent capital history;
- (e) the company's dividend history and its latest balance sheet in summary form;
- (f) any special conditions relating to the transfer of the company's shares.

(2) The Exchange shall be entitled to demand and receive from each company in respect of which it publishes the information referred to in (1) above such fees as it may fix for so doing.

SUSPENSION OF TRADING

Rule 115.

(1) The Stock Exchange may in its discretion suspend any trading in securities where it is of the opinion that it is fair and reasonable to do so having regard to the smooth and fair running of the operation of the stock market.

(2) When any action under 115(1) is deemed necessary by the Exchange, the Commission should be immediately notified and the reason for such action clearly stated.

BLOCK TRANSACTIONS

Rule 116.

(1) A member that receives an order or orders for the purchase or sale of a block of stock, which may not readily be

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absorbed by the market, should explore in depth the market on the Floor. Unless professional judgment dictates otherwise, this should include checking with other members to ascertain; if any, of the interest a member has in participating at an indicated price.

(2) Procedures governing block transactions shall be laid down by the Exchange from time to time; unless the Commission specifies otherwise.

DESIGNATION OF ACCOUNTS

No member shall carry an account on its books in the name of a person other than that of the customer, except that an account may be designated by a number or symbol, provided the member has on file a written statement signed by the customer attesting the ownership of such account. Rule 117.

DISCRETIONARY POWER IN CUSTOMERS' ACCOUNTS

No member or employee of a member shall exercise any discretionary powers in any customer's account or accept orders for an account from a person other than the customer without first obtaining written authorisation of the customer. Rule 118.

RECORDS OF ORDERS

(1) Every member shall preserve for at least 5 years or such other period as the Exchange or Commission may determine, a record of— Rule 119.
[226/2001].

- (a) every order transmitted directly or indirectly by such member to the Floor, which record shall include the name and amount of the security, the terms of the order, the time when it was so transmitted and the time and date on which the order was executed;
- (b) every order received by a member, either orally or in writing and carried by such member to the Floor, which record shall include the name and the amount of the security, the terms of the order, the time when it was so received and the time and date of execution;
- (c) the time of the entry of every cancellation of an order covered by (a) and (b) above.

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(2) Registrants registered under Part IV of the Act shall keep records of—

- (a) unexecuted orders and instructions under bye-law 22 and confirmation under bye-law 23 for a period of at least two years; and
- (b) executed orders and instructions under bye-law 22 for a period of at least five years.

SEPARATE SUPERVISION OF ACCOUNTS AND POOLING

Rule 120.
[226/2001].

Every Member Company shall ensure that—

- (a) the account of each client is supervised separately and distinctly from the account of other clients;
- (b) except in the case of a mutual fund or pension fund, an order placed on behalf of one client is not pooled with that of another client.

FULLY PAID SECURITIES HELD IN SAFE KEEPING

Rule 121.
[226/2001].

Every Member who holds fully paid securities for a client under a written safe keeping agreement shall—

- (a) keep them separate and apart from all other securities; and
- (b) identify them in his stock record and statement of accounts as being held in safe keeping for a client.

DEALINGS AND SETTLEMENT

Rule 200.
General bargain
rules.

(1) Every bargain on the Stock Exchange whether for the account of the member effecting it or for the account of a principal must be fulfilled according to the Rules, Regulations and Usages of the Stock Exchange.

(2) Bargains on the Stock Exchange shall be regarded as inviolable and any bargain either between clients and members, or between members, and the contracts leading to such bargains may be annulled only by the Exchange who shall only entertain applications for misrepresentation, or on *prima facie* evidence of such material mistake in the bargain as in their judgment renders the case one which is fitting for their adjudication.

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(3) A member may not accept instructions or adopt any procedure which would in any way or any purpose override his duty to execute such a transaction to the best advantage of his client according to his judgment at the time of dealing.

(4) No member company shall have the power to revoke a completed purchase or sale bargain.

(5) A member company's client shall adhere to the terms and conditions of any order to buy or sell securities howsoever given.

- (1) Dealings are generally permitted in the following securities: Rule 201. Permitted dealings.
- (a) securities which the Stock Exchange has admitted to the Official List, excluding those with restricted listing, and which are not the subject of Stock Exchange Notice suspending or cancelling the listing or suspending dealings;
 - (b) securities which have been granted a primary listing on an Overseas Stock Exchange.

(2) Bargains may be made with special permission of the Stock Exchange in securities of public companies or corporate bodies and of private companies not falling within the categories stated in rule 201(1).

(3) In case of exceptional circumstances application for permission to dispense with the forms provided by the Quotations Department or the Market Floor may be made to the Stock Exchange.

(4) Prices of transactions effected under subrule (2) shall be marked in a special section of the Official List, headed Unlisted Securities.

(5) Except as provided in subrules (1), (2) and (3) dealings are not permitted in any securities until the date from which admission to listing becomes effective.

- (1) All bargains shall be dealt for settlement on the fifth business day following the market transaction unless they are subject to a special bargain. Failure to effect settlement within the stipulated period shall not invalidate the bargain. Rule 202. Permitted bargains and bargain conditions.

(2) Bargains may be dealt subject to the following conditions, which shall be declared in the bid or offer and marked accordingly on the board and in the list, and in the market contract note, that is:

- (a) bargains may by agreement be dealt for cash settlement in which case they shall be settled on the business day following the market transaction;
- (b) bargains shall be dealt ex-dividend, ex-rights, ex-capitalisation, or ex any other distribution as required by the Managing Director in accordance with rule 203;
- (c) notwithstanding the foregoing, bargains may, by agreement, be dealt for settlement in advance of the dates prescribed by this rule, provided that such date is entered in the market sales contract;
- (d) bargains for Delayed Delivery may be permitted by the Market Official, subject to the settlement date being not more than thirty days later than that of a dealing and the condition D being stated in the bid or offer and marked on the dealing board, and entered into the market contract;
- (e) Renounceable Allotment Letters shall be dealt for settlement on the business day following the market transaction.

Rule 203.
Ex-condition
dealing.

(1) Securities included in the Official List shall be made ex-dividend seven business days before the last day on which transfers will be accepted for registration cum-dividend. If the Stock Exchange does not receive information in time to enable a security to be made ex-dividend on that date security will be made ex-dividend the first dealing day after receipt of such information.

(2) Registered debentures or bonds shall trade in accordance with the Rules and Regulations of the Stock Exchange.

(3) On receipt of official information cancelling the declaration of a dividend any notice posted making the security ex-dividend under this rule shall automatically be cancelled and be deemed to have been void and of no effect. In the event of such information

the Stock Exchange shall immediately publish a notice in the Official List. Bargains made ex-dividend shall not be adjusted, but any deduction from the purchase price of securities in respect of a dividend that has been cancelled shall be refunded.

(4) When a company declares a final dividend, the underlying stock will trade ex-dividend after approval is sought and obtained from stockholders at the Company's Annual General Meeting.

(5) All registered securities which are the subject of a rights or capitalisation issue or other distributions other than dividends shall be made ex business days before the last day on which transfers will be accepted by the Registrar of the Company for registration cum benefit, i.e., the books close date. In respect of late information or cancellation of the benefit, action will be taken in accordance with that provided for dividends in subrule (4) of this rule.

Rights, capitalisation and other distributions.

(6) No dealing ex-dividend, ex-rights or ex any other distribution shall be permitted other than in the period specified under this rule by the Stock Exchange.

In these Rules—

“call” means an offer or bid order made by broker or authorised dealer on the market in respect of selling or buying order;

“dealing” or “trading” means the purchase or sale of listed or other permitted securities.

Rule 204. Definitions for dealing procedures.

Bargains will be made during the dealing sessions on the days and times as determined and published by the Board of the Stock Exchange. In the event of any changes, one month's notice will be given by the Stock Exchange. The Exchange will not be open for business on Carnival Monday or Tuesday or on any Bank or designated Public Holiday. Dealing sessions shall continue until all securities listed have been called and dealt as members may require.

Rule 205. Trading sessions. [150/1988].

(1) At each dealing session the Market Official will call each security in the sequence of the quotations board.

Rule 206. Call over procedures.

(2) Spreads shall be 5 cents, but narrower or broader spreads may be set by the Market.

(3) The verbal conventions of bid and offer shall be as follows:

- (a) a bid shall be called as “name of member company”, PRICE, BID FOR, number of shares;
- (b) an offer shall be called as “name of member company”, PRICE, OFFER, number of shares;
- (c) any special bargain condition attached to the bid or offer shall be clearly called after the price, but any condition posted on the quotations board for that dealing day shall be implied and need not be called;
- (d) in the event that a bid/offer is on behalf of a foreign individual or corporation the word “FOREIGN” shall be called before the word “BID/OFFER” and it shall be the responsibility of the broker to confirm that the bid/offer is admissible under the Foreign Investment Act;
- (e) in the event that a bid or offer is on behalf of a broker’s market nominee the words “OWN ACCOUNT” shall be called after the bid or offer and client priority shall apply.

Ch. 70:07.

(4) All bids and offers called during the dealing session in a security shall be entered by the Prices Clerk on the dealing board, together with the identity of the member company and indication of any special condition attached to the bargain.

(5) The price of an offer may be lowered and the price of a bid may be raised, but all bids and offers must remain unrevised on the dealing board for sufficient time to permit a responding offer or bid. Brokers revising a bid must indicate accordingly to the Market Official. Bids and offers may only be raised in their original size. Any bid or offer made shall remain marked on the dealing board in original or revised form until dealing in the security ceases.

(6) A member shall declare the size of his bid or offer, but his initial bid or offer need not comprise the full size in which he wishes to deal during the session, and after his initial bid or offer, he may call further bids and offers.

(7) If, within five seconds of the first call of a security, no member has indicated his intention to deal, there shall be deemed to be no trading in the security, and the Market Official shall call the next security.

(8) Within five minutes after the close of normal trading session, the Market Official shall recommence trading in those securities which have been requested by the market.

- (1) The general sequence of priorities in matching shall be—
- (a) price;
 - (b) time;
 - (c) small size in the case of client calls for 500 shares or less which are within a simultaneous call apportioned under rule 208(4).

Rule 207.
Matching in
sequential calls.

(2) The Prices Clerk shall mark bids and offers on the dealing board at the prices and in the time sequence in which they are called. If in the view of the Market Official the time sequence is clearly determinable, bargains shall be struck immediately a matching offer or bid in whole or in part is called.

- (3) If more than two calls are involved in a match—
- (a) the bids of highest price shall be matched against the offers of lowest price;
 - (b) in the event that, within a match, offers or bids of equal price cannot be completely satisfied, such competing offers or bids shall be satisfied in the time sequence in which they were called, except that any client call at a price shall take priority over a call for a broker's own account. Any unsatisfied residual of a call left unmatched will retain the same priority of the original call.

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(4) The Market Official shall after each match declare the bargain(s) naming the selling and buying brokers, the price and any exceptional bargain condition, and this information shall be recorded by the Market Record Clerk.

Rule 208.
Simultaneous
calls.

(1) If the Market Official considers that the time sequence of calls is not clear he shall declare a “SIMULTANEOUS CALL” of two or more brokers and in this case there shall be no further calls until the bids and offers arising from the simultaneous calls are marked upon the board.

(2) The brokers declared by the Market Official to have called simultaneously shall each submit their call, only one call by each broker being permitted, on the prescribed dealing slip on which shall be written the abbreviated title of the member company, the security, the price, whether offered or bid and the quantity of securities bid for or offered, together with any bargain condition. Incomplete dealing slips may at the discretion of the Market Official be rejected.

(3) A simultaneous call shall be identified on the board by the bracketing of its component calls and conjoint time priority shall be assigned to each of the calls comprising it, in accordance with rule 207.

(4) In the event that a simultaneous call, in course of the normal matching priorities of rule 207 can only be partially satisfied, within that call first priority shall be given to the full satisfaction of client calls for 500 shares or less, if possible. Any residual shall be apportioned between the remaining calls *pro rata* to size of those calls.

Rule 209.
Close of
dealing.

(1) Matches secured shall be recorded by the Floor Clerk and the relevant offers and bids erased from or adjusted on the dealing board. The Market Official shall close dealing in a security after any lapse of ten seconds without further bid or offer.

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(2) After close of dealing in a security the Market Official shall set the closing quotation using the following guidelines:

(a) *No Bid or Offer Outstanding without Trading*

The closing quotation would remain as that of the previous trading session;

(b) *No Bid or Offer Outstanding with Trading*

The closing quotation would be set at the price of the last transaction provided that such a bargain was struck between two different brokers on the floor of the Exchange;

(c) *Bid and/or Offer Outstanding without Trading*

The closing quotation would remain as that of the previous session, unless there is either an outstanding offer at the price lower than, or an outstanding bid at a price higher than the previous closing quotation; in which case, the closing quotation would be set at the price of that bid or offer;

(d) *Bid and/or Offer Outstanding with Trading*

The closing quotation would be set at the price of the last transaction, unless there is either an outstanding offer at a price lower than or an outstanding bid at a price higher than that of the last transaction, in which case the closing quotation would be set at the price of that bid or offer.

(1) When a broker receives an order to buy and at the same time receives an order to sell (or vice versa) the same security, and these orders originate either from one client or from clients who are associated with each other these orders may be construed to be matching orders and may be put-through the market, i.e., the broker may execute the buy/sell orders simultaneously on the Trading Floor, with the consent of the Stock Exchange, and the market shall not have the right to take any portion of the brokers's business.

Rule 210.
Bargains put-
through the
market.
[136/1994].

(2) For the purpose of this Rule “clients who are associated with each other” applies to—

- (a) members of the immediate family of any person, i.e., the spouse, parent, grandparent, brother, sister, children, including stepchildren and the spouses of those persons;
- (b) subsidiaries of the same holding company;
- (c) parties involved in share transactions where there is no change in beneficial ownership.

(3) (i) When a broker receives an order that does not satisfy the associated client conditions as defined in subrule (2) of this rule and in his judgment the order be deemed a special case, the broker will make an application to the Board of Directors of the Stock Exchange for its consideration. If he obtains the agreement of the Board that the order is deemed a special case, the broker may then arrange to have the transaction put-through the market.

(ii) When the Board receives a request from a broker on behalf of the Government to effectuate a transaction for the purposes of divestment or restructuring, the Board will allow the transaction to be put-through the market.

(4) The following procedures shall apply to brokers when making an application for a put-through:

- (a) all put-through orders must be submitted to the Stock Exchange (addressed to the General Manager) for study and deliberation, not later than 12:00 noon on any regular business day;
- (b) all put-through orders submitted to the Stock Exchange must be initialled and placed by a registered Stockbroker or an authorised dealer of the company and no one else;
- (c) all put-through orders submitted to the Stock Exchange must be typewritten and duly signed by the registered stockbroker or authorised dealer of the member company. Moreover; each order must bear the official stamp of the member company;

(d) the General Manager shall make representation to the Board on the member company's behalf giving full details of the put-through request.

(5) The General Manager shall give all the member companies at least twenty-four hours prior notice of the put-through on the market.

(6) The business shall be put-through the market, and the bid and offer shall be marked accordingly on the dealing board, subject to any conditions that may be laid down by the Board.

(7) The put-through transaction and the transactions associated with it will be marked, as such on the market contract note, and recorded accordingly on the quotations board and in the Official List.

(1) No persons other than members, authorised dealers, and Stock Exchange officials shall be permitted entry to the trading floor of the Stock Exchange during trading sessions, provided that trainee authorised dealers may be permitted access for appropriate limited period subject to application by the member company to the Stock Exchange, and the Stock Exchange's approval of such application.

Rule 211.
Market floor
discipline.

(2) Smoking and the taking of refreshment shall be prohibited on the trading floor of the Stock Exchange.

(1) The dealing period shall be defined as the number of sequential business days in respect of which all bargains in such types of security as the Board shall specify, shall, in the absence of special bargain conditions related to settlement date, be settled, simultaneously on a defined day.

Rule 212.
Dealing and
account periods.
[150/1988].

(2) The dealing period shall be one day.

(3) The settlement period shall be defined as the period from the first business day after the end of the dealing period until the account day for the normal settlement of bargains transacted in that dealing period.

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(4) The settlement period shall be five business days. In the event of either the dealing or settlement period being altered, the Exchange shall give to member companies three months' notice of their intention.

(5) Bargains in all securities shall be dealt for settlement on the account day following the end of the dealing period in which the bargain was dealt, provided that bargains may be dealt under the special conditions permitted by rule 201.

(6) The Exchange may, should exceptional circumstances so require, postpone an account day, either in respect of all bargains made in a specified dealing period, or in respect of bargains in a specified security or securities.

Rule 213.
Good delivery.

(1) Valid certificates and transfers, or an officially certified transfer, duly executed by the transferor, together with such other documents as may be lawfully required by the Registrar of the Company concerned to enable lawful registration of the transfer of the shares concerned to be effected, notwithstanding that the transferee's name may not be acceptable to the Registrar, shall constitute good delivery between member companies.

(2) Delivery of securities shall represent the exact quantity sold but part deliveries may, at the option of the seller, be made provided that such deliveries are in marketable quantity.

(3) The seller of securities is responsible for the genuineness and regularity of all documents delivered.

Rule 214.
Validity of
transfers.

(1) Without affecting the generality of rule 213 above a transfer shall be considered to support good delivery if it is signed by the transferor, and there is entered upon it—

- (a) the name of the company;
- (b) the quantity, class and denomination of the securities;
- (c) the selling broker's identification (stamp);
- (d) a statutory declaration of no revocation if the transfer is signed under power of attorney in the event that rule 215 applies.

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(2) A Stock Transfer Form shall not be considered to be good delivery when—

- (a) one of the entries required by subrule (1) above is not made;
- (b) the transferor's name or signature has been cancelled;
- (c) an amended consideration is shown and such amendment has not been initialled by the transferor;
- (d) erasures of material information have been made;
- (e) the transfer form has been altered in some material manner;
- (f) the transfer has not been executed in accordance with the requirements as regards to nationality of transferee.

(3) The evidence of the national status of any person who wishes to be registered a holder of shares or debentures may be provided by a declaration under the hand of a supporting declaration under the hand of such transferee.

(1) Any transfer of securities exercised under a power of attorney or administrator of an estate shall bear an endorsement to the effect that the power of attorney, probate, or letters of administration have been exhibited to the company, Government, or other authority to whose securities the transfer relates.

Rule 215.
Power of
attorney.

(2) Any transfer of securities executed under a power of attorney shall be accompanied by a statutory declaration of the non-revocation of such power of attorney at the time of signing of the transfer, or shall bear an endorsement by the company, Government or other authority to whose securities the transfer relates, that the declaration or statement has been lodged with such company, Government or other authority.

In cases where any security is, by or pursuant to the law of any country, placed under a disability not applicable to all other

Rule 216.
Securities under
disability.

securities of the same issue, the buyer may submit the case to the Exchange which may, if in its opinion circumstances warrant such action, require the security in question to be returned and substituted.

Rule 217.
Certification of
Transfer Forms.

(1) In the case of the sale of a certificate as provided for in rule 113(1)(b) the selling broker may lodge the certificate, the Stock Transfer Forms and the Broker Transfer Forms with the Stock Exchange for certification. The duty of the Stock Exchange shall be—

- (a) to scrutinise the documents to verify good delivery; to certify to that effect on the Broker Transfer Forms;
- (b) to make the certified Broker Transfer Forms available to the selling member company;
- (c) to despatch the certificate and the Stock Transfer Form and where applicable Broker Transfer Forms to the Registrar.

(2) The Board shall not be in any way liable for anything done in the proper performance of this duty or for any loss occasioned by the certification by the Stock Exchange of any transfer under these or any other circumstances.

(3) The buying broker may refuse to pay for a transfer unaccompanied by the certificate unless it be officially certified thereon that the certificate is at the office of the Stock Exchange.

(4) The use of Broker Transfer Forms shall be limited solely to the Market, and they shall be passed only between the selling and buying brokers and the Stock Exchange prior to their ultimate lodgement with the Registrar. Any broker permitting a Broker Transfer Form to pass into the hands of a client or any third party other than the Stock Exchange will be subject to disciplinary action, which may include withdrawal of the certification service from this company.

When an official certificate of registration has been issued the Stock Exchange will not, unless bad faith is alleged against the seller, take cognisance of any subsequent dispute as to title until the legal issue has been decided.

Rule 218.
Dispute as
to title.

BUYING-IN AND SELLING-OUT

(1) Where a member company having sold securities (hereafter in this rule referred to as the “seller”) fails to deliver such securities to the member company which has purchased the securities (hereafter in this rule referred to as “buyer”) the buyer shall issue before midday on any business day to the seller a demand note requiring that the securities should be delivered by 12.30 p.m. on the fifth business day following receipt of the note provided that if the member company issuing the demand note is doing so in consequence of having itself received a demand note for the same securities, it may issue and deliver its own demand note not later than 12.00 noon on the following business day, and shall itself not be liable to deliver such securities to the original issuer until 12.30 p.m., on the sixth business day following receipt of the original demand note. No demand note may be delivered after 12.00 noon, on any business day, and no demand note shall be delivered on non-business days.

Rule 219.
Buying-in.

(2) The seller receiving a demand note shall issue an acknowledgment of receipt thereof, specifying the time and date of receipt.

(3) Failing delivery by the seller by the time specified in the demand note, the buyer shall, before 4.00 p.m. on the specified date, or on any subsequent business day, give a buying-in notice to the Stock Exchange to buy the securities at the seller’s risk. At the same time the buyer shall deliver to the seller at his place of business a copy of such buying-in notice and shall obtain a receipt thereof.

(4) Notice to buy-in shall be in the form prescribed by the Stock Exchange from time to time.

(5) Any notice to buy-in may be withdrawn by the buyer in writing to the Stock Exchange, provided that such withdrawal shall be before the buying-in order has been completed, and that no bargains transacted in course of the buying-in shall be reversed.

(6) Before each dealing session the Stock Exchange shall post on the board a list of instructions received to buy-in, naming the stock, the number to be bought, the buyer, the seller at risk, and the price at which it is proposed to bid for immediate delivery.

(7) The price bid shall be two spreads above the highest buying price at the close of business of the previous trading day or the highest unmatched bid, whichever is the higher.

(8) Buying-in shall take place before normal trading in the security, sellers may offer for immediate delivery either whole or part provided where part only is being offered such securities shall be in marketable lots. The first offer at the price bidden shall be received.

(9) If the securities are not obtained on the first day, the price bid shall be raised on the second and each succeeding trading day by two spreads notwithstanding the open Market may have shown no appreciation. Where, however, the open Market is a firming one this subparagraph shall be construed as meaning that the price bid is always at least two spreads above the higher of the last recorded sales price or bid price at the opening of trading each day, until the securities are bought or delivered to the Stock Exchange, or the notice to buy-in has been withdrawn according to this procedure.

(10) The Stock Exchange may suspend the daily increase in the offer price should it be deemed advisable or revise the offer so that the price offered shall not be more than 15 per cent above—

- (a) the last recorded sale; or
- (b) the bid price of the previous day whichever is the greater.

(11) The member company selling under the buying-in, unless it is the buyer, shall deliver the securities to the Stock Exchange

before 12.00 noon on the following business day, and the seller for whom they were bought shall pay for them on delivery.

(12) An agreement may be made not to buy-in at the time of dealing at the request of a broker making a market in the security for which a bargain was made if and to the extent that he anticipates difficulty in obtaining the stock which is the subject of the bargain. The broker must at all times be prepared to justify his actions to the Stock Exchange if called upon to do so. The market contract note for such bargains shall be inscribed N.B.I. (No Buying-in). The client contract note must state that the bargain has been done for No Buying-in.

(13) Where a buyer fails to accept and pay for securities when delivered, the member company selling may before 4.00 p.m. on the due date, or any subsequent business day, give a selling-out notice in writing to the Stock Exchange to sell the securities at the buyer's risk. At the same time the seller shall send to the buyer at his place of business a copy of such selling-out notice and shall obtain a receipt thereof. Selling-out.

(14) Any notice to sell-out may be withdrawn by the seller in writing to the Stock Exchange, provided that such withdrawal shall be before the selling-out order has been completed, and that no bargains transacted in course of such selling-out shall be reversed.

(15) Before each dealing session the Stock Exchange shall post on the board a list of instructions received to sell-out, naming the stock, the buyer at risk, and the price at Exchange shall be two spreads below the selling price or lowest unmatched selling offer at the close of business of the previous trading day, which ever is the lower.

(16) Selling-out shall take place before normal trading in the security and buyers may bid either in whole or in part, provided where part only is being bid for, such securities shall be in marketable lots. The first bid at the price offered shall be received.

(17) If the securities are not sold on the first day, the offer price shall be lowered on the second and each succeeding trading day by two spreads notwithstanding the open Market may have shown no weakness. Where however the open Market is a falling

one, this subparagraph shall be construed as meaning that the offered price is at least two spreads below the lower of the last recorded sale price or selling offer at the opening of trading each day until the securities are sold, or are accepted and paid for by the buyer, or the notice to sell-out has been withdrawn according to this procedure.

(18) The Stock Exchange may suspend the daily decrease in the offer should it be deemed advisable, or revise the offer so that the offer price shall not be more than 15 per cent below—

- (a) the last recorded sale;
- (b) the offered market price of the previous day whichever is the lower.

(19) The member company for whom the securities are sold-out shall deliver the securities to the Stock Exchange before 12.00 noon on the following business day, and the buyer shall pay for them on delivery.

Settlement of
difference.

(20) Any difference arising from buying-in or selling-out under this procedure shall be settled between the member companies involved by the Stock Exchange, which shall charge such difference to the member company at risk, plus commission at the full rate applicable. Such commissions shall be credited to the funds of the Stock Exchange.

(21) All resulting differences shall be settled by the member companies involved at the normal time for settlement on the business day following the transactions related to the buying-in or selling-out under this rule.

(22) Nothing in this rule relieves a member company from its obligation to the member company issuing a buying-in or selling-out notice against it.

(23) The Stock Exchange may at its absolute discretion suspend either indefinitely or for such time as it thinks fit the buying-in or selling-out of any securities.

(1) The Official List shall contain a record in such form as the Stock Exchange shall determine of the bargains in each security transacted by members, and of the nominal market quotations agreed in the most recent dealing session, together with such other market intelligence as the Stock Exchange deems fit. The Stock Exchange may make such provision for the recording of bargains in inactive listed securities without prejudice to the validity of the listing of such securities.

Rule 220.
Stock Exchange
Official List.

(2) No list or record of market prices or dealings shall be published unless such prices or dealings are those published in the Stock Exchange Official List and unless the source of the information is stated as such, and the date of the original publication of the prices is stated.

(1) Bargains shall be deemed to be marked when the copy of the market contract note is placed in the box in the Market in accordance with rule 309.

Rule 221.
Marking of
bargains.

(2) The Stock Exchange will subsequently publish in the Official List the price shown on the contract note provided that only one mark in any security will be entered in the Official List at any one price.

(3) Dealings in any security in which permission to deal has been given under rule 201 shall be recorded in a special section of the Official List which shall clearly indicate that such securities have not been admitted to listing.

(4) Where a bargain has been done under a special condition as permitted in rule 202. The Stock Exchange may, if it seems desirable to do so, indicate the condition by a special symbol in the Official List. Member companies' bargains for their own position shall always be identified on the Official List, and the price will carry the suffix "(B)".

(5) Any complaints as to the prices in the Official List shall be lodged with the Stock Exchange, the nominal quotations shall be agreed by the Market at the end of trading in each security.

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Rule 222.
Foreign
shareholding
quotations.

(1) The Exchange shall set up rules to receive once every quarter from each listed company of the proportion of shares of each class held by foreigners.

(2) The foreign proportion referred to in (1) above shall be marked on the board of the Stock Exchange, and shall be adjusted according to transactions effected on behalf of foreigners.

OPERATIONS OF MEMBER COMPANIES

Rule 300.
Transaction
records.

(1) Each member company shall maintain records expressed in Trinidad and Tobago dollars, foreign currencies to be stated in Trinidad and Tobago dollars at the exchange rate at the date of the transactions undertaken by the member company, of all transactions including particulars of—

- (a) all moneys paid or received by the member company;
- (b) all purchases and sales of securities by the member company and the charges and credits arising therefrom including an analysis of all payments and claims made and received in relation to dividends and rights in respect of such transactions;
- (c) all transactions by the member company with or for the account of—
 - (i) each client excluding directors of the member company;
 - (ii) each director of the member company;
 - (iii) each member company of the Stock Exchange (including bargains to be settled through the Settlement Office);
 - (iv) each employee or agent;
 - (v) each member company of any overseas Stock Exchange;
- (d) all income and all expenses;
- (e) all assets and liabilities including contingent liabilities;

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- (f) all securities which are the property of the member company, showing by whom they are held and whether, if held otherwise than by the member company itself, they are so held as collateral against loans or advances;
- (g) all securities which are not the property of the member company but for which the member company or any subsidiary company established under the rules and procedures of the Stock Exchange and controlled by it is accountable, showing by whom and for whom they are held and distinguishing between:
 - (i) those which are held for safe custody which must either—
 - A. be registered in the name of the client or other beneficial owner;
 - B. be registered in the name of the member company's subsidiary company;
 - C. be deposited in a specially designated safe custody account with any branch of an authorised bank, in such a way that the bank has no lien over or right of retention or sale of any of the securities;
 - (ii) those which are deposited with or otherwise pledged or charged to any third party as collateral available against loans or advances (present or prospective) to the member company or any company owned or controlled by the member company in which case such deposit pledged or charged must be authorised by the client or other beneficial owner concerned. Such authority must be in writing and must specify the period to which it relates;
- (h) all purchases and sales of foreign currencies;
- (i) a register of each account of directors' spouses,

infant children and dealing companies under the control or beneficial ownership of the directors and their spouses. The member company shall submit with the copy of the documents required under subrule (16)(a)(i) a letter signed by the Chairman and Secretary stating that the register is up to date, and as far as they are aware complete. Except that, for the purpose of this paragraph, records shall not be deemed to be maintained in sufficient detail if there are no maintained up to date records to enable the directors—

- (i) to verify at any time that they are in compliance with the requirements of subrule (12) and to draw up, within a reasonable time, accounts which comply with subrule (2);
- (ii) to analyse at any time the member company's assets, liabilities, income and expenditure to comply with subrules (7), (8), (9) and (10).

Accounts to be prepared.

(2) Every member company shall cause to be prepared, accounts, subject to the requirement of subrule (4) which shall include—

- (a) a balance sheet showing in accordance with provisions of this rule assets and liabilities of the member company and the directors' financial interest therein. The assets and liabilities shall be brought to account in the said balance sheet at amounts and shall be classified and described therein in such manner that the balance sheet gives a true and fair view of the affairs of the member company at the balance sheet date;
- (b) a profit and loss account complying with the provisions of this rule and so framed as to give a true and fair view of the profit or loss of the member company for the period from the date on which the member company began to trade or as the case may be from the date of the previous

balance sheet to the date at which the balance sheet is drawn up under subrule (2)(a);

(c) a capital computation in the form prescribed in Appendix VI.

(3) The disclosure of details required by subrules (4) to (10) may be made in note to the accounts that such accounts—

(a) shall be signed by two directors on the face or reverse of the balance sheet as approved by the Board of Directors and shall be deemed to comply with this rule notwithstanding the transactions in securities since the close of dealing of the last settlement account are not included therein; and

(b) shall show by way of note—

- (i) the general nature of contingent liabilities and where practicable the aggregate amount, or estimated amount of any capital commitments;
- (ii) the accounting policies followed for dealing with items which are judged material or critical in determining the profit or loss for the period and in stating the member company's financial position;
- (iii) full particulars of any transactions which have been closed at the end of settlement account prior to the date of the balance sheet and opened immediately following settlement account.

(4) Each such balance sheet shall be prepared not more than three (3) months after the end of the financial year of the particular broking company or, as the case may be, the date on which the member company began to trade, whichever is the earlier.

Balance sheet date.

(5) A member company desirous of changing its balance sheet date should notify the Stock Exchange of its intention to do so not later than ten (10) days following the passage of the relevant

company's Board decision. Any such change of date shall not be permissible within a period of less than three (3) months prior to the then existing balance sheet date.

(6) Every new member company shall within one (1) month of the commencement of business notify the Stock Exchange of this practice regarding the date at which its balance sheet will be prepared in each year.

(7) Member companies shall disclose in their balance sheets the following which shall not be regarded as approved assets or ranking liabilities as defined in subrules (8) and (9) respectively:

- (a) the paid up capital of the member company;
- (b) capital and revenue reserves;
- (c) subordinated loans by each director;
- (d) total credit and total debit due to or from directors in respect of transactions in securities;
- (e) credit or debit balances on other accounts of each director;
- (f) amounts due to the member company, which relate to transactions in securities for the account of directors;
- (g) the aggregate amount of assets consisting of shares or interests in and amounts owing by subsidiary companies or organisations established under Stock Exchange Rules and Procedures by the member company or any of its directors distinguishing shares and interest from indebtedness;
- (h) amounts appropriately categorised of any other assets not qualifying under subrule (8);
- (i) such liabilities as have been agreed with the Stock Exchange.

Approved assets. (8) Without prejudice to the general requirements of subrule (2), each balance sheet and/or statement of financial condition shall

show under separate headings the following classes of assets, which shall be approved assets:

- (a) money receivable in the ordinary course of Stock Exchange business excluding all amounts in respect of directors transactions, and consisting only of amounts due from—
 - (i) clients and/or employees who have not in any way entered null and void their original contract with the broker which had at the balance sheet date been outstanding for not more than ninety (90) days, or settle against delivery of stock to the extent that such stock has not been delivered;
 - (ii) employees who are due to settle on account day which had at the balance sheet date been outstanding for not more than ninety (90) days or settle against delivery of stock to the extent that such stock has not been delivered;
 - (iii) member companies, distinguishing between—
 - A. balances which had at the balance sheet date been outstanding for ninety (90) days or less;
 - B. balances in respect of open stock positions which had at the balance sheet date been outstanding for more than ninety (90) days; and
 - C. other balances which had at the balance sheet date been outstanding for more than ninety (90) days;
 - (iv) the Stock Exchange Settlement Office;
 - (v) member firms of overseas Stock Exchanges;
 - (vi) foreign exchange dealers;
- (b) Certificates of Deposit issued by recognised banks which are redeemable within one year of

- the balance sheet date, Trinidad and Tobago Saving Bonds, Certificates of Tax Deposit, National Development Bonds and Treasury Bills;
- (c) money on deposit with a Local Authority, or a Non-bank Financial Institution recognised by the Central Bank or Building Society which is encashable within one year of the balance sheet date;
- (d) balances on current or deposit account which are encashable within one year of the balance sheet date with branches of those banks specified authorised banks for Exchange Control purposes by the Central Bank of Trinidad and Tobago; balances in foreign currencies must be shown separately from Trinidad and Tobago balances and shall distinguish—
- (i) balances which are freely remittable to Trinidad and Tobago through a recognised banking system;
 - (ii) balances which may only be used in settlement of security transactions in the country in which the balances are held;
- (e) Trinidad and Tobago government securities and corporation stocks which may be listed in the Stock Exchange Official List. The aggregate market value of such securities must be stated;
- (f) securities listed on the Stock Exchange other than those referred to in (e) above, excluding any in which dealings have been suspended for more than three (3) weeks. The aggregate market value of such securities must be stated;
- (g) only 90 per cent of the aggregate market value of the securities included under the preceding paragraph (f) should be permitted for inclusion within the approved assets;

(h) such other assets of the member company as may be agreed with the Board of the Stock Exchange, such agreement not to be unreasonably withheld.

(9) Without prejudice to the general requirements of subrule (2) each balance sheet and/or statement of financial condition shall show under separate headings the following liabilities, which shall be ranking *liabilities*, which shall be used in determining the minimum net capital requirement of the member company in their Liquidity Return:

- (a) amounts due to—
- (i) clients;
 - (ii) employees;
 - (iii) member companies;
 - (iv) the Stock Exchange Settlement Office;
 - (v) member companies of overseas Stock Exchanges;
 - (vi) banks specifying the nature and market value of any security given and the fact, where applicable, that the security given is not the property of the member company, together with particulars by way of note, of any charge guarantee or indemnity given;
 - (vii) foreign exchange dealers;
- (b) any other liabilities which are secured, either by the deposit of securities or otherwise, specifying the nature and market value of the security at the date of the balance sheet and the fact where applicable that the security given is not the property of the member company, together with particulars by way of note, of any charge guarantee or indemnity given;
- (c) aggregate amount due to any subsidiary company established under the rules of the Stock Exchange;
- (d) the total amount of the companies tax (or a fair estimate thereof) payable or expected to be payable on the whole of the profits up to the balance sheet date;

- (e) the amount, if any, by which the sum at which securities ranking as approved assets under subrule (8) are brought into account exceeds their aggregate market value;
- (f) the amount of any loss which the member company could incur at the balance sheet date in respect of transactions to be settled in overseas currencies, where the member company has not covered the relevant amount by a forward purchase or sale of currency, and the amount of any loss were there to be substituted for the rates of exchange employed in the accounts the rate ruling in Trinidad and Tobago at the date of the balance sheet;
- (g) the amount of any accumulated losses, so far as they concern the member company or any of its directors, of any subsidiary company or organisation established under the Rules of the Stock Exchange which are not covered by the investment in the organisation or company respectively;
- (h) the amount of any foreseeable losses from bad or doubtful debts or from any other causes;
- (i) all other liabilities of the company apart from those specified in subrule (9) separately designated where material.

Profit and loss
account.

(10) Without prejudice to the general requirement of subrule (2)(b), the profit and loss account shall show under separate headings—

- (a) gross commission earned;
- (b) commissions share and paid away;
- (c) interest receivable;
- (d) interest payable on:
 - (i) bank loans and balances;
 - (ii) all other loans;
- (e) the charge in respect of bad or doubtful debts;
- (f) other provisions;

- (g) audit fees (including expenses);
- (h) other material items of income and expenditure in reasonable detail;
- (i) the net profit before tax.

(11) If any times of the nature described in subrule 10(e) and (f) above have been dealt with other than through the profit and loss account, the particulars and amount involved shall be stated by way of note.

(12) (a) Definitions—For the purpose of this subrule:

Liquidity return.

“net worth” means total stockholder’s equity increased by liabilities subordinated to claims of general creditors (subordinated loans);

“net capital” means the net worth of a member company reduced by all non-approved assets and other charges;

“excess net capital” means net capital reduced by the minimum capital required to be maintained as determined by subrule (12)(b);

“non-approved assets” means those assets which cannot be readily converted into cash, and or because of their nature are not approved assets as defined in subrule (8);

“ranking liabilities” have the same meaning as defined in subrule (9).

(b) No member company shall permit—

- (i) its ranking liabilities to all other persons to exceed 1,000 per cent of its net capital except as otherwise limited by the provisions of subparagraph (ii) of this paragraph;
- (ii) its ranking liabilities to all other persons to exceed 400 per cent of its net capital for twelve (12) months after commencing business as a member company, except as otherwise provided for in subparagraph (i) of this paragraph;

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Rule 300
(12)(b)(iii).

- (iii) its minimum capital requirement to be—
- A. \$50,000 for each registered stockbroker of the \$25,000 for each authorised dealer in the member company; or
 - B. an amount which is equivalent to 10 per cent of its ranking liabilities, whichever is greater.

(c) The minimum capital requirement required in accordance with subrule (12)(b)(iii) above shall be maintained not only in the member company itself but also after consolidation of all subsidiary companies and organisations established under the Rules of the Stock Exchange for whose debts and obligations the member company or any of its directors is liable.

Audit of
accounts.

(13) (a) The accounts of the company which have been prepared in accordance with subrule (2) shall be examined by an auditor to whom shall be made available all the books and records of the company and all such explanations and other information as he may require for the purpose of carrying out under this procedure such examinations as will enable him to meet the requirements of subrule (15).

(b) Each member company shall on at least one date to be determined by the member company in consultation with its accounts and which may coincide with the balance sheet date, circulate to those member companies and those of its clients as the auditor may select, a request, returnable direct to the auditor, for positive confirmation of all balances outstanding with each such member company and client at that date.

Qualifications.

(14) (a) For the purpose of this procedure “auditor” means a person/firm who is—

- (i) in public practice;
- (ii) independent of the member company; and
- (iii) a member in good standing of the Institute of Chartered Accountants of Trinidad and Tobago.

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(b) If the auditor of a member company fails to adhere to generally accepted accounting principles and practices, financial statement disclosure, auditing scope or procedure, or comply with applicable Rules and Regulations of the Exchange, the Stock Exchange may request the member company to replace its auditors. Should the member company refuse or fail to comply with the request, the Exchange may prohibit the member company from continuing to do business.

(15) (a) The auditor shall provide the member company with one signed copy of the auditor's report addressed to the Stock Exchange. The said report shall be in conformity with such Rules, Regulations and Procedures of the Stock Exchange as may be in effect from time to time. Auditor's report.

(b) The auditor shall also provide the member company with a signed copy of a report addressed to the Stock Exchange stating whether, in his opinion, from the information contained in the member company's books and accounts, and subject to such reservations as he considers appropriate, at the date of the balance sheet, was in compliance with the Rules of the Exchange.

(16) (a) The member company shall submit to the exchange accountant selected under subrule (17) with a copy to the Stock Exchange within four months after the balance sheet date—

- (i) one copy of its accounts prepared under subrule (2) together with a copy of the auditor's report as specified in subrule (15);
- (ii) one copy of the accounts and reports of any subsidiary companies formed under the Rules of the Stock Exchange.

(b) The member company shall in addition submit to the exchange accountant and to the Stock Exchange as soon as it is available, one copy of the accounts sent to its shareholders in accordance with the Companies Act for the time being in force and the standing Rules, Regulations and Procedures of the Stock Exchange. Ch. 81:01.

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The exchange accountants.

(17) (a) The Stock Exchange shall from time to time appoint two or more firms of professional accountants as exchange accountants and—

- (i) every member company shall submit its accounts to the exchange accountant which the Stock Exchange may select;
- (ii) the exchange accountant shall be deemed to be authorised by the member company to obtain direct from the member company's auditor reporting on the accounts any information or explanation which he may consider necessary for the purpose of carrying out his duties under paragraph (b) below;
- (iii) the exchange accountant selected shall not be either the member company's auditor or the member company's tax adviser.

(b) In any case where the information obtained under subrule (17)(a) above or any other matter arising out of his enquiries leads the exchange accountant to consider that further information should be obtained by the Stock Exchange regarding the member company's state of affairs, he shall report accordingly to the Stock Exchange. All such reports shall be deemed to have been authorised by the member company concerned.

(c) All accounts and other information obtained by the exchange accountant under this subrule shall be retained by the exchange accountant and shall be regarded as confidential to him to any body or person except as the exchange accountant may consider necessary for the purpose of any report he may make under subrule (17)(b) above.

(18) (a) Members and authorised dealers shall attend the Stock Exchange when required and shall give such information as may be in their possession relative to any matter under investigation including such accounts and information as to their member company's finances as the Stock Exchange may consider necessary. In addition, the Stock Exchange may require the periodic submission of information relating to the minimum capital required to be maintained under the provisions of subrule (12).

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(b) If, as a result of information obtained under subrule (18)(a), or should a member company fail to comply with the rule as outlined in rule 301, the Stock Exchange if it so deems necessary, may suspend the member company, or any of the directors or employees thereof, from trading on the Stock Exchange in any manner whatsoever, and/or impose any other fitting sanction as it considers warranted under the circumstances.

(c) In the event of a member company being required to provide special information to the Stock Exchange as a result of its failure to maintain proper books and if it so deems necessary, may appoint an accountant under subrule (17) to assist the member company in resolving the matter and the member company may be required to reimburse the Exchange all or part of the costs which it may have incurred under the circumstances.

(1) Unless the Stock Exchange shall otherwise permit, all member companies shall prepare a liquidity return each quarter summarising the accounts required by rule 300 in the form prescribed in Appendix VI.

Rule 301.
Liquidity
Return.

(2) Member companies shall notify the Stock Exchange of the quarterly dates in which the returns are to be made up. One of the dates notified shall coincide with the date at which the member company's accounts are prepared.

(3) Each liquidity return shall be submitted to the exchange accountant within one calendar month of the date at which it is made up. A copy of each return shall also be submitted within one calendar month to the member company's auditors.

(4) The exchange accountant shall be deemed to be authorised by the member company to obtain direct from either the member company's auditors or the member company itself as appropriate any information or explanation which he may consider necessary to carry out a review of the member company's state of affairs as revealed by the liquidity return. The provisions of rule 300, subrule (17)(b) apply.

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(5) The Stock Exchange assumes that member companies as a matter of normal accounting control strike a trial balance of their accounts each month within two weeks of the month end. In the event that the Stock Exchange, advised by the Stock Exchange accountants, considers the circumstances of either the member company or the market to warrant it, the Stock Exchange may require any member company or companies to submit monthly capital computations.

Rule 302.
Minimum
commission.

(1) A member company shall charge its clients commission in respect of every bargain made on his behalf and in respect of every service for which a charge is prescribed. The commission must be charged at not less than the rates laid down in subrule (3)(a) of this rule, and no reduction thereof may be allowed except as authorised by these rules. In the event that a member company acts both for the selling and buying client, each of them shall be charged commission at the prescribed rates. Except that—

- (a) this rule shall not apply to or restrict dealings or the sharing of commission between member companies, or to the sharing of commission between a member company and its overseas organisation where not less than 75 per cent of the capital of the Overseas Organisation is beneficially owned and controlled by the member company or by its directors;
- (b) the commission in respect of bargains for put-throughs and with respect to the Unit Trust and any other such institution as the Board may from time to time determine, shall be within the terms of such transactions to be approved by the General Manager, and the commission scale in subrule (3) of this rule shall not necessarily apply;
- (c) each member company sponsoring a new issue or acting as a broker to a new issue may charge commission at discretion in respect of the services performed in such issue;
- (d) where a member company has prepared a valuation for probate and charged a fee it may to

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the extent that it subsequently earns commission from business received from the estate, remit all or part of the fee charged.

(2) In approving the commissions described in subrule (1), the General Manager shall be guided by conventions laid down by the Board, and, in event of dispute between the General Manager and the broker handling such business, the matter shall be immediately referred to the Board.

- (3) The rates of commission chargeable shall be—
- Rates of
commission.
- (a) registered ordinary shares, preference shares and convertible loan stocks:
- (i) 1.5 per cent on the first \$50,000 consideration;
 - (ii) 1.25 per cent on the next \$50,000 consideration;
 - (iii) 1 per cent on the excess;
- (b) all other securities or evidence of indebtedness, except those described in (a) above, the Stock Exchange will set the rates when appropriate and shall cause such rates to be published from time to time, prior to the implementation of such rates.

(4) Commission in respect of dealings in overseas shares or securities which are not quoted on the Official List shall be charged at the rates applied by the recognised Stock Exchanges overseas through which such securities are transacted.

Commission
overseas
securities.

- (1) The rates of commission on transactions effected in overseas currencies are chargeable as follows:
- Rule 303.
Transactions
overseas
currencies.
- (a) where the transaction is to be settled by the client in Trinidad and Tobago dollars the rate of commission is to be calculated on the Trinidad and Tobago dollar equivalent of the overseas currency price at the exchange;

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- (b) where the transaction is to be settled by the client other than in Trinidad and Tobago dollars, the rate of commission is to be calculated on the Trinidad and Tobago dollar equivalent of the overseas currency price at the effective rate of exchange which is relevant.

Rule 304.
Continuation
bargains.

A buying or selling order which is confirmed between the member company and its principal but which is executed in the Market in a series of bargains which comprise the total order, shall be considered a “continuation” order, and the member company may charge commission based on the total value of the transactions comprising the continuation order, provided that all such transactions are completed within one calendar month.

Rule 305.
Commission
sharing.

A member company may only share commission with an agent whose name appears on one of the registers kept in accordance with rule 306, with an employee or with a recognised stockbroking organisation who is a member of an overseas Stock Exchange.

Rule 306.
Registers of
agents.

(1) A member company may share commission with agents whose names have been included in the following registers maintained by the Board provided that commission has been charged at the rates laid down in rule 302(3):

- (a) a register of banks which will be open to commercial bank, trust companies and other financial institutions as approved by the Board. The share of a commission actually retained by a member company who shares its commission with an agent included in this register shall not be less than two-thirds of the commission specified in rule 302(3), provided that where the agent provides both buyer and seller, only one-half may be retained;
- (b) a register of overseas representatives which shall be open to member companies' overseas representatives resident outside Trinidad and Tobago. A member company may remunerate any such overseas representative with a share not exceeding one-third of the commission chargeable to the principal he introduces where such commission is charged in accordance with rule 302(3).

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(2) A member who shares its commission with an agent included in these registers specified in this rule shall render a contract note in the name of the agent, to the agent, stating that the commission charged is divisible with such agent. Such contract note must not be rendered “net”. (*see* rule 307)

(3) Application for inclusion in these registers specified in this rule shall be made in accordance with Appendix VII, and the Stock Exchange shall determine the qualifications necessary for entry and retention on these registers.

(4) A member company may not share its commission with an agent—

- (a) when the agent’s share is divided with or allowed to his principal or any other person;
- (b) when the commission is charged on the agent’s own personal business.

The commission charged must be shown on every contract between a member company and its client and “net contracts”, meaning contracts in which the commission or part of the commission is added to or subtracted from the buying price or the selling price respectively, are prohibited and shall not be made.

Rule 307.
Net contracts
prohibited.

(1) A stockbroker shall not transact with any member company, a bargain intended to be concealed from that of his own member company, and a member company shall not deal for a stockbroker of another member company without first obtaining the consent of that person’s member company. Such consent shall be in writing, and member companies shall include in their own regulations provisions which shall ensure compliance.

Rule 308.
Restrictions on
dealing by
members.

(2) A stockbroker shall not withhold from or misrepresent to his own member company particulars of the client on whose behalf he deals.

(3) A stockbroker shall advise any member company to which he gives dealing instructions, including his own, if he has a beneficial interest in a bargain to be transacted by that member company.

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(4) A member company shall not carry on business for or with a person who has been expelled from the Stock Exchange, or who after ceasing to be a member from any cause becomes a bankrupt.

Rule 309.
Market contract
note.

Upon conclusion of a transaction, the selling member shall execute a market Contract note in form prescribed by the Stock Exchange in triplicate and sign all copies thereof, the carbon signatures on the second and third copies being considered valid. The buying member shall similarly sign the note. The top yellow copy shall be given to the buying broker, the second (blue) copy shall be placed in the box provided in the Market for retention by the Stock Exchange, and third (white) copy shall be retained by the selling broker. The purchase and sale so made shall be a valid contract fully binding on the contract parties.

Rule 310.
Settlement
between
member
companies.

All bargains dealt in the Market shall be between member companies, and a member company shall not be obliged to take a reference for payment to a non-member, nor shall it be obliged to pay a non-member for securities bought in the Stock Exchange.

Rule 311.
Account
delivery and
payment.

(1) Every member company shall, for the purposes of delivery and settlement, maintain an office of facilities situated in Port-of-Spain within reasonable walking distance from the Stock Exchange.

(2) Every member company is required to rent a Central Delivery Box (C.D. Box) in the Stock Exchange Office, which may be used for circulation of stock cheques and other market documentation between itself and other member companies and Registrars.

(3) Unless otherwise agreed between the member companies concerned in respect of special bargains, the times for delivery of sold stock and payment on each account day will be as laid down in the Stock Exchange Settlement Procedures Guidelines.

(4) Cheques must be drawn on a clearing bank, or the Central Bank and be presented for payment through a commercial bank; cheques must be crossed, marked "Not Negotiable drawn to Order". Such cheques may also be marked "Account Payee Only".

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(5) Any member company requiring payment by banker's draft shall give notice to the buyer to that effect as soon as possible after the dealing period and not later than 10.30 a.m. on the day previous to the day for delivery and payment.

(6) In default of payment in accordance with this rule, the unpaid seller shall forthwith immediately report the fact to the Stock Exchange, and interest on the unpaid balance shall run at 1 per cent per month until the date of payment, notwithstanding that the Stock Exchange may take action against the defaulting member company as provided for under rule 103.

(7) A buying broker who collects stock from the Stock Exchange office which he claims to be bad delivery shall, not later than 10.30 a.m. inform the selling broker's who shall have responsibility to collect the alleged bad delivery from the buying broker's office, and either return his cheque, or if it has been paid in, reimburse the buying broker within banking hours the same day.

Without prejudice to the generality of rule 112(2)(d) a contract note shall have imprinted the words "Subject to the provisions of the Rules of the Trinidad and Tobago Stock Exchange" together with identification of the member company and the words "Member of the Stock Exchange."

Rule 312.
Contract note.

(1) Where any member company purchases any listed securities on behalf of a client, the client shall pay to the member company the contract price of the listed securities in cash or by cheque against offer to deliver the listed securities unless delivery is made against the purchaser's banker's draft, delivery of securities to the purchaser may be withheld at the member company's discretion until the purchaser's cheque in payment has been finally cleared and the proceeds have been received by the member company.

Rule 313.
Obligations in
purchase
bargains.

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(2) A member company referred to in subrule (1) who has not been paid the purchase price in terms of that clause shall sell out as soon as is reasonably possible after the failure to pay the purchase price, and in any event not later than thirty (30) days thereafter, those listed securities on behalf of the client.

(3) If the sum so realised by the sale referred to in subrule (2) is less than the contract price referred to in subrule (1) the member company concerned as soon as is reasonably possible, and not later than thirty (30) days thereafter shall on its own behalf sell so much of any other securities—

(a) held by it on behalf of the client; or

(b) to be delivered to it by the client,

as may be necessary to realise the difference between that sum and the purchase price.

(4) Any further loss incurred by the member company after selling-out in terms of subrules (2) and (3) of this rule, arising from the difference between the selling-out prices and the payment due to the selling client shall be indemnified by the defaulting buying client.

(5) For the purpose of this rule selling-out in the open Market must be carried out in the same manner as provided for in rule 220 and the member company should instruct the Stock Exchange to sell the securities concerned.

(6) Deliveries of securities shall be made by a broker buying on a client's behalf only to the buying client, and a client shall not be entitled to sell such securities on to another member company except after full payment is made by him to his original buying broker.

(7) In the event of the death of a purchaser of securities between the time of his placing of the order to buy before he has paid for such securities, the selling broker's right to sell-out against

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the buyer in the event of any default in payment shall not be impaired, and the executors (or administrators) of the deceased purchaser shall be liable to pay for all losses and expenses incurred as a result of the selling-out.

(1) Where any member company sells any listed securities on behalf of a client, the member company shall pay the client the proceeds of the sale less commission against delivery of the listed securities in negotiable order to the member company, payment being made on settlement day.

Rule 314.
Obligations in
sold bargains.

(2) Where a selling client has failed to deliver securities on the due date and where a member company has to make delivery to the said buying client by having to buy-in the said securities in the open Market, any loss incurred by the member arising from the difference between the buying-in price and the selling price of the defaulting selling client's bargain shall be indemnified by the defaulting selling client.

(3) For the purpose of subrule (2) of this rule, the buying-in in the open Market must be carried out in accordance with the procedures established for such transactions by the Stock Exchange and the member company should request the Stock Exchange to authorise the buying-in in the securities concerned.

(4) In the event of the death of a seller of securities between the time of placing the order to sell but before he has signed the relative transfers, the buying brokers right to buy-in in the event of any default in delivery of the securities shall not be impaired, and the estate of the deceased seller shall be liable to pay for all losses and expenses incurred as a result of the buying-in.

(1) Where securities are bought-in or sold-out in terms of rules 313 and 314, and the cost of the bought-in stock is more, or the price of the sold-out stock is less than that of the defaulted bargain, such deficit, including commission and other charges payable, shall be a debt due by the defaulter to the member company and shall be payable immediately.

Rule 315.
Defaulting
clients
obligations.

(2) Where in the event of a client sold-out or bought-in under the provisions of rules 313 and 314 has not within ten (10) business days made good to the member company the price difference and

charges referred to in subrule (1) above, the member company shall immediately advise the Stock Exchange in writing of the client's name together with a statement of his position.

(3) The Stock Exchange shall then advise such client's name to all member companies, who shall promptly submit a statement of that client's position with them to the Stock Exchange. The Stock Exchange may at its discretion order that any sum due to that client by member companies shall be retained by them for a period not exceeding three (3) months such time as that client has paid such sums as are due by him to those member companies who reported outstanding positions.

(4) Where in terms of subrule (3) of this rule a client's name is notified to member companies by the Stock Exchange, member companies shall not have any further dealing with the client so named, without the prior approval of the Stock Exchange.

Rule 316.
General Claims.

(1) In the following rules related to benefit claims:

- (a) the prefix "ex" placed immediately before a distribution or benefit means that the bargains was dealt exclusive of distribution or benefit;
- (b) the prefix "cum" similarly implies inclusion of the distribution or benefit;
- (c) the term "books close date" means the last day on which renounceable documents or transfers will be accepted by the Registrar of the Company for registration cum benefit, or for splitting, if that is earlier;
- (d) "delivery in time for registration" in respect of a security being the subject of a distribution or benefit relative to which the register of members is situated in Trinidad and Tobago, such delivery being between broker and broker, means receipt of documents by the buyer two clear business days before the books close date;
- (e) "delivery in time for registration" in respect of a security having no register situated in Trinidad and Tobago shall be promulgated by Board Notice.

(2) All registered securities which are the subject of a distribution or benefit shall in accordance with rule 203 be dealt ex such distribution or benefit for the fifteen business days prior to the books close date.

(3) Where the original selling client has sold cum benefit, he shall be responsible to the buying client who is the beneficial owner at the books close date for the amount of the dividend rights or other interest accruing to the securities sold. Member companies shall afford mutual assistance in the recovery of dividends, rights, or other interests on behalf of a beneficial owner who is entitled to the benefit but whose transfer has not been registered.

(4) A member company making claims on behalf of clients, or on behalf of its nominee, shall do so by issuing such claims to the original selling broker or brokers. A claim shall—

- (a) quote the market contract note reference of the bargain from which the claim arises;
- (b) state the amount of the claim;
- (c) state the date on which the company's books closed to determine shareholders entitled to dividends or other benefits;
- (d) state the date of good delivery of the securities.

(5) Any payment related to dividend claims, or claims for other benefits, shall be made by a separate cheque and shall not be included in a statement for delivery.

(6) The beneficial owner of the shares registered in the name of a nominee company shall be responsible to the buyer for claims made in respect of dividends, rights, bonuses and other benefits. The nominee company shall, on demand, disclose the beneficial owner as shown in its register to the claimant.

(7) The following charges shall be made on clients for collection of dividends, capitalisations, rights or other benefits under this rule:

Charges for claims.

- (a) where a claim is raised within six (6) months of delivery of the scrip, the charge shall be 1 per cent with a minimum charge of \$10.00;

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- (b) where a claim is raised more than six (6) months after delivery of the scrip, the charge shall be 2 per cent with a maximum charge of \$10.00;
- (c) in respect of all claims for bonus issues, a collection charge of \$5.00 per certificate, not exceeding \$10.00 on any one claim, is to be levied by the collecting broker on the client.

Rule 317.
Settlement of
cum-rights
bargains.

(1) Transactions in securities which are the subject of a rights issue shall be accepted by the Registrar of the listed company for registration cum-right on or before books close date except that they shall be dealt ex-rights in accordance with rule 203 during the seven business days prior to books close date, new securities issued in respect thereof.

(2) A client who has sold rights shall be responsible for effecting delivery to the member company which has sold the rights on his behalf for transmission of the rights to the purchaser cum rights who shall be entitled to any renounceable documents, or to the new securities in respect thereof.

(3) It shall be good delivery in respect of bargain cum-rights if the certificate of the "old" stock duly transferred, together with a renunciation form in respect of the rights signed by the transferor, has been delivered to the buyer's broker not later than five (5) business days before the books close date.

(4) Where securities cum-rights have not been delivered by five (5) business days prior to the books close date, then provided that the buyer claims any renounceable documents in writing not less than five (5) business days before that day (or if the latest time for splitting renounceable documents is earlier than that day, then at such earlier time as will enable the seller to obtain any necessary split renounceable documents), then the seller shall be bound to deliver the renounceable documents duly renounced in time for registration.

(5) If the claim is made not later than the time for claiming referred to in subrule (4) above, but the seller does not deliver in accordance with that subrule then—

- (a) in the case of nil-paid renounceable documents the seller shall take all necessary steps to prevent

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the rights lapsing and if they are allowed to lapse the buyer shall be entitled to deduct their value to be fixed by the Stock Exchange, up to the highest value at which nil-paid renounceable documents were traded during the period of dealing in them, from the consideration for the bargain;

- (b) in the case of fully-paid renounceable documents the buyer may require the seller to deliver the new securities instead, into the name of the buyer, or into the name of any subsequent buyer in case there has been a further sale for delivery in renounceable form.

(6) If such claim is made after the time for claiming referred to in subrule (4) above then—

- (a) in the case of nil-paid renounceable documents provided the claim is made before the time on the books close date fixed for the receipt of the acceptance, the seller shall do all he reasonably can to prevent the rights lapsing and to transfer them to the buyer; if the seller sells or has sold the rights the seller shall be liable for the proceeds of the sale of the rights; a claim made after the time for receipt of the acceptance shall be invalid;
- (b) in the case of fully-paid renounceable documents—
- (i) if they or the new securities issued in respect thereof are in the possession of the seller he shall nonetheless according to the wish of the buyer, deliver the documents fully renounced or the new securities; and
- (ii) if the documents or new securities are not in the possession of the seller, he shall render every assistance to the buyer in tracing them.

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(7) If the buyer has not received delivery of nil or partly-paid renounceable documents by 12.00 noon five business days before books close date he may at any time not later than 12.00 noon on the day two days before the books close date give the seller notice that he does not wish to accept the offer or make the next payment (as the case may be).

(8) If nil or partly-paid renounceable documents have not been delivered by 12.00 noon two business days preceding acceptance day and if the notice mentioned in subrule (7) above has not been given, the seller shall be bound at the request of the buyer to make all due payments on behalf of the buyer, and the buyer shall refund all such payments. Such a request shall be implied where the buyer has made a claim [under subrule (4) above].

Rule 318.
Settlement of
cum-
capitalisation
bargains.

(1) Where a member company purchases any listed securities cum-capitalisation, on behalf of a client, it shall make best effort to secure the benefit of capitalisation for the client.

(2) Transactions in a registered security which become the subject of a capitalisation issue in accordance with rule 203 be dealt ex-capitalisation for the fifteen (15) business days prior to the last date on which the Registrar to the Company will accept transfers of allotment letters for registration cum-capitalisation (books close date).

(3) Where a capitalisation issue is made by means of a renounceable document to the holders of old securities a buyer or the old securities cum-capitalisation, who makes a claim in writing for the benefit of the capitalisation not later than five (5) business days before the books close date shall be entitled to receive the renounceable documents duly renounced on the second business day before the books close date.

(4) Where a capitalisation issue is made by means of a non-renounceable document, a buyer of old securities cum-capitalisation who makes a claim in writing for the benefit of the capitalisation not

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later than five (5) business days before the books close date shall be entitled to receive a transfer of the old securities not later than the second business day before the books close date.

(5) The Stock Exchange will, on application, fix a price which a buyer of old securities “cum-capitalisation” may deduct from the purchase money of the old securities until the new securities are delivered.

(1) Transactions in a registered security in which a dividend has been announced, shall in accordance with rule 203 be dealt ex-dividend during the seven (7) business days before the last day on which transfers will be accepted by the Registrar of the Company for registration cum dividend (the books close date).

Rule 319.
Settlement of
dividend claims.

(2) It shall be the responsibility of the buyer broker to observe whether a cum dividend purchase is registered in time for his client to obtain the dividend; if his client is not so registered the buying broker will, within ten (10) business days of the books close date make an appropriate claim on the selling broker.

(3) The client who has sold cum-dividend and to whom the dividend is paid due to late registration of the buyer, shall on request from the broker who transacted the sold bargain, make over the dividend to that broker forthwith on payment of the dividend by the company.

(4) On receipt of the dividend from the selling client, the selling broker will immediately settle with the buying broker who shall pay to the client the dividend due to him.

(5) The Stock Exchange shall be notified of all dividend claims made on member companies which have been outstanding for more than twenty (20) business days after payment.

(6) Where a company declares a dividend in cash with a share alternative or in shares with a cash alternative, buyers wishing to opt for the alternative offer must give notice in writing to sellers

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not later than ten (10) business days before the last date given by the company for expressing that option. If no notice has been given by that day all claims will be settled in the form the dividend was declared and not in the alternative form.

Rule 320.
Statement of
inter-company
balances.

(1) Each member company shall, on the eleventh business day following the last business day of each month, issue to every other member company a complete statement of balance, detailing the bought and sold stock positions from bargains for settlement on or before the last day of the previous month which are still open.

(2) A copy of the statement shall be delivered to the Stock Exchange who will immediately record receipt in a register. If applicable, a statement of nil balance should be issued to each member company with a copy to the Stock Exchange.

(3) Member companies shall within five (5) business days advise the issuing member company of any unreconciled or unrecorded item, or certify (by endorsement) the statement as correct and return it to the issuing member company.

Rule 321.
Use of brokers
account to effect
delivery.

(1) A broker may borrow securities from its broker's account for the purpose of making delivery, in the case of failure to receive securities required to be delivered. The borrowing must, however, be related to an actual delivery in connection with a specific transaction that has already occurred, and not in anticipation of some need that may or may not arise.

(2) This provision does not authorise any broker to use its broker's account to effect delivery without the consent of the Exchange. Any request to use a broker's account for such purposes must be submitted to the Exchange and in writing.

(3) Notwithstanding the foregoing, when a security held in a broker's account is used to effect delivery, such security shall be replaced by the broker within ten (10) days after the date from which the Exchange permission was granted, and it is the responsibility of the broker to notify the Exchange that the replacement has been accomplished.

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(1) A member company may remunerate an employee with a proportionate share of the commission charged by the member company on the business of the principal he/she introduces provided that—

Rule 322.
Employee
commission
sharing.

- (a) such an employee is registered with the Stock Exchange as a registered representative of the member company and is employed on a full-time basis by that company;
- (b) the share of the commission shall not be paid to such employee until the member company has satisfied itself that the business on which the share of the commission arises had been satisfactorily conducted including the payment and delivery of securities.

(2) In the event of an employee changing employment between member companies the new employer shall obtain a satisfactory reference in writing from the former employer stating whether or not all the employee's obligations and those of his/her clients have been met in full without assistance on the part of the member company and that the accounts have been conducted in a satisfactory manner.

LISTING AND DELISTING

(1) Any public company incorporated in accordance with the laws of Trinidad and Tobago wishing to have its securities listed on the Stock Exchange shall—

Rule 400.
Listing
Requirements.

- (a) have the subject matter securities registered and approved by the SEC;
- (b) enter into a listing agreement in the prescribed form with the Exchange;
- (c) subject to (a) and (b) above, the Exchange may make rules prescribing the conditions to be complied with where applications are made for the listing of securities;

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- (d) upon compliance with (a) and (b) above, and with any rules made under (c), the securities shall be admitted for listing on the Exchange;
- (e) the Exchange shall as often as it may determine but not less than once every week prepare and publish a list of all securities admitted for listing. Such list shall include information of the current or most recent prices of all listed securities, together with such other information as the Exchange may consider fit to include therein;
- (f) in addition to the information referred to in (e) above, the Exchange may cause to be published any other relevant information which may relate to the market price of any security.

Rule 401.
Delisting
Criteria.

(1) The aim of the Trinidad and Tobago Stock Exchange is to provide the foremost auction market for securities of well established companies in which there is a broad public interest and ownership.

(2) Securities admitted to the official list may be suspended from dealings or removed from the list at any time.

Prior to the delisting of any security, the Exchange shall make an appraisal of, and determine, the suitability for continued listing in light of all the pertinent facts whenever it deems such action appropriate.

The grounds under which a company's security may be delisted includes, but are not limited to the following:

- (a) failure of a company to make timely adequate and accurate disclosures of information to its shareholders and the investing public;
- (b) failure to observe good accounting practices in reporting of earnings and financial position;
- (c) conduct inconsistent with just and equitable principles of trade;

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- (d) unsatisfactory financial condition or operating results;
- (e) inability to meet current debt obligations or to adequately finance operations;
- (f) abnormally low selling price or volume of trading;
- (g) unwarranted use of company's funds for the repurchase of its equity securities;
- (h) any other event or condition which may exit or occur that make further dealings and listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange;
- (i) when a company falls below any of the criteria enunciated in rule 127*, the Exchange may give consideration to any definitive action that a company would propose to take that would bring it in line with original standards.

(2) Changes that a company might consider or make that would bring it above the delisting criteria but not in line with the original listing standards would normally not be adequate reason to warrant continued listing.

(3) Where a listed company falls below any of the criteria for delisting, and proposes to effect a combination with an unlisted company in a manner which in the opinion of the Exchange, would result in the acquisition of the listed company by the unlisted company, regardless of which company is the survivor in the combination, the Exchange will not approve the listing of the additional shares arising out of the combination unless the company resulting from the combination meets the original listing requirements of the Exchange in all respects.

(4) Other criteria which may result in the delisting of a company includes but are not limited to—

- (a) reductions in Operating Assets and/or scope of operations;

* There is no rule 127.

- (b) bankruptcy and/or liquidation;
- (c) authoritative advice/proof that a security is without value;
- (d) registration no longer effective;
- (e) proxies are not solicited for all meetings of stockholders;
- (f) agreements are violated;
- (g) interest coverage of debt securities is inadequate;
- (h) failure to meet payment, redeem or retire securities on due dates.

When the Exchange gives consideration to the suspension or delisting of the ordinary shares of a company, it may consider delisting of the ordinary shares of a company, it may consider the appropriateness of the continued listing of other securities of the issuer, whether or not such other securities meet the delisting criteria otherwise applicable to them, and may determine, in light of all the circumstances, to continue such other securities on the list or to suspend and proceed to remove from the list such other securities where it seems to be advisable.

The Exchange may hold a public hearing in connection with its consideration of suspension of a security from dealing.

In the absence of any special circumstances, a security considered by the Exchange to be eligible for continued listing will not be removed from the list upon request or application of the issuer, unless the proposed withdrawal from listing is approved by the security holders at a meeting at which a substantial percentage (66 $\frac{2}{3}$ %) of the outstanding amount of the particular security is represented, without objection to the proposed withdrawal from a substantial number of individual holders of the particular security.

Rule 402.
Stock Exchange
Official List.

(1) The listing of a security may be suspended or cancelled and the security withdrawn from the Official List and the transaction of bargains may be suspended on the authority of the Board, or of

the Chairman or Deputy Chairman, or in the event of them not being available, any two Directors. When such action is taken otherwise than by the Board it must be reported to the Board at the first available opportunity.

(2) A decision in terms of this rule to reject or defer an application for admission to the Official List or to suspend or cancel a listing shall be immediately posted on the floor of the Stock Exchange, and be published by notice.

(1) A member company wishing to secure admission of securities to the Official List, whether already issued or to be issued, may, before applying for listing, enter into an underwriting contract in relation thereto, and may contract either as principal to subscribe or purchase, or to procure subscribers or purchasers for the same. Such purchasers or subscribers may be procured through the member companies. Arrangements other than underwriting entered into under this paragraph are “placings”, as distinguished from “dealings” which term denotes Stock Exchange transactions after admission to the Official List.

Rule 403.
Preliminary
arrangements
and
placings.

(2) Dealing or arrangements for dealings “subject to listing” are not permitted.

(3) In the case of registered securities “placed” under the provisions of subrule (1) of this rule, a member company purchasing and the placing member company must complete a market contract note. In the event that the securities are listed, such a market contract will then be executed. In the event that the securities are not admitted to the Official List then no bargain will have been established and the market contract note shall be deemed null and void.

(4) Except with the permission of the Stock Exchange under rule 201(2), securities placed under this procedure may not be replaced or negotiated in any way before admission to listing has become effective.

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(5) The general procedures for placings shall be in accordance with the Listing Requirements, Chapter 1, paragraphs 16, 17, 18 and Schedule 5—Market Statement (placings).

Rule 404.
Capital issue by
company under
foreign control.

(1) The Exchange shall not permit a security of a listed company under foreign control to be listed and dealt on the Market unless registered with the Securities Exchange Commission.

(2) The Exchange shall take cognisance of any regulations governing issue of capital by listed companies under foreign control and it shall ensure that all procedures are aligned to the intent of such regulations.

Rule 405.
Price
stabilisation.
[226/2001].

(1) In order to stabilise the Market, the Stock Exchange may empower the Market Official to suspend dealing in a security if the offer price rises or the bid price falls more than 10 per cent (or such percentage as the Stock Exchange may from time to time determine and promulgate by notice except for rights trading) above or below respectively the closing price of the previous business day.

(2) The Market official may also suspend dealing in any security if the buying or selling price changes abruptly without due apparent reason.

(3) Suspension of a security under subrules (1) and (2) of this rule shall be posted in the Market and shall not last beyond dealing sessions without reference of the matter to the Board of the Exchange who may at their discretion revoke or prolong such suspension.

(4) The Stock Exchange shall give notice forthwith to the Commission of any suspension or prohibition of dealing in securities.

Rule 406.
Suspension of
dealing.
[226/2001].

The Stock Exchange may, at its absolute discretion, suspend or prohibit dealings in any security or all securities if, in its judgment, such action is essential to ensure proper conduct of the Market. The Stock Exchange shall in addition to giving notice forthwith to the Commission of such action, immediately publish such suspension or prohibition by notice, and by official announcement on the Market Floor.

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ADMISSION OF STOCKBROKERS, DEALERS AND
MEMBER COMPANIES

(1) A member company may nominate, and apply to the Stock Exchange for appointment of an authorised dealer who, after appointment, may deal in the Market on behalf of the member company.

Rule 501.
Appointment of
authorised
dealers.

(2) Nomination for an authorised dealer will be received in respect of a person who—

- (a) has been nominated by the member firm on whose behalf he will deal in the market;
- (b) is a full-time employee of the member firm;
- (c) is at least eighteen years of age;
- (d) has been employed by the applicant member firm at least six months (commenced July 1, 1990) and has an accredited qualification from a recognised academic institution with a knowledge of capital markets;
- (e) has produced references as well as a police record;
- (f) has undergone trading simulations under the direction of Management.

(3) Application for authorisation shall be made by the sponsoring member company in the form prescribed in Appendix V.

(4) The Stock Exchange may refuse an application on the grounds that, either—

- (a) the nominee's experience and character render him unsuitable; or
- (b) authorisation would result in the number of authorised dealers employed by the sponsoring member company exceeding the number of registered stockbrokers in that company.

(5) The Stock Exchange may, at its discretion, post the nomination in the Market, and in this event, members and registered stockbrokers may comment on the suitability of the applicant to the Stock Exchange.

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(6) If the Stock Exchange is satisfied with the experience and character of the applicant, it shall appoint him as an authorised dealer for such period as he remains in the employment of the member company which has sponsored the application.

(7) Any reference in the dealing rules and administrative procedures to registered stockbrokers should also be construed as a reference to authorised dealers.

(8) Registered stockbroker members shall in accordance with the Rules and Regulations of the Stock Exchange be liable for acts or omissions or any authorised dealer of their member company in accordance with the Rules and Regulations of the Stock Exchange, and any offending authorised dealer shall himself be liable to suspension or cancellation of his authorisation in accordance with rule 103(1) of the Rules and Regulations of the Stock Exchange.

(9) The Stock Exchange shall cause a register of authorised dealers to be kept, in which shall be entered the names of each authorised dealer and his employing member company. This register shall be kept in the offices of the Stock Exchange and shall be available for inspection by members and authorised dealers.

(10) An authorised dealer shall not enter the trading floor of the Market until his member company shall have received from the Stock Exchange offices, notice of his admission and authorisation.

(11) Authorised dealers of a defaulting member company shall be excluded from the trading floor of the Market immediately on such default.

Rule 502.
Appointment of
alternate
authorised
dealers.

(1) A member company may nominate and apply to the Stock Exchange for appointment of an alternate authorised dealer who after appointment, may deal in the Market on behalf of a member company during the absence of the company's authorised dealer.

(2) Nomination for an alternate authorised dealer is subject to the conditions established in subrule 501(2) to (11).

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APPENDICES

APPENDIX I	Form of Proxy [Section 4, subsections (2) and (4) of the Act].
APPENDIX II	Application for Registration as a member of the Stock Exchange (Section 10 of the Act). Statement by Sponsoring Directors.
APPENDIX III	Form of Application for Registration as a Stockbroker (Sections 16 and 18 of the Act). Statement by Sponsoring Directors.
APPENDIX IVA	Liability Notice by a Director of a Limited Corporate Member (Section 36 of the Act).
APPENDIX IVB	Withdrawal of Liability Notice (Section 36 of the Act).
APPENDIX V	Form of Application for an Authorised Dealer (Rule 501).
APPENDIX VI	Notes for Guidance on the Completion of Liquidity Returns. Statement of Financial Condition.
APPENDIX VII	Application for Inclusion in the Register of Banks and Agents (Rule 306).
APPENDIX VIII	Summary of Stock Exchange Settlement Procedural Guidelines.
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APPENDIX I
FORM OF PROXY

[Section 4, subsections (2) and (4) of the Securities Industry Act]

THE TRINIDAD AND TOBAGO STOCK EXCHANGE

I of.....
.....
being a Member of Limited
hereby appoint
as my proxy, to vote for me and on my behalf at the Annual General Meeting/Extraordinary
General Meeting of the Trinidad and Tobago Stock Exchange to be held on the
day of 20.....

Signed this day of 20..... in the presence of

.....
Signature of Member

.....
Signature of Witness

APPENDIX II

APPLICATION FOR REGISTRATION AS A MEMBER OF
THE STOCK EXCHANGE

(Section 10 of the Securities Industry Act, Ch. 83:02)

To the Board of the Trinidad and Tobago Stock Exchange

In accordance with section 10 of the Securities Industry Act, Ch. 83:02, we hereby apply for registration of Limited as a Member of the Trinidad and Tobago Stock Exchange.

We attach to this application:

- (i) the prescribed form of proposal and secondment completed and signed by two Directors of the Stock Exchange;
- (ii) a certified copy of the Memorandum and Articles of Association of the Company together with a certified copy of its certificate of incorporation;
- (iii) proof that prior to commencing trading on the Stock Exchange the Company will have a minimum paid up share capital of four hundred thousand dollars.

We are aware of the requirements related to Member Companies of the Securities Industry Act, Ch. 83:02 and the Rules and Administrative Procedures of the Stock Exchange, and, provided consent is granted to this application, we give a joint and several undertaking that the Company will be operated in accordance with them.

We are the Directors of the Company and we hereby undertake to assume liability for the debts and obligations of the Company in terms of and within limitations expressed in.

Yours faithfully,

Signed

Dated 20.....

NOTE 1. Any relevant circumstances, e.g., formation of the Company to take over the business of another Member Company, should be stated.

NOTE 2. The application should be signed by all (intending) Directors whose names and addresses should be typed below the signature.

NOTE 3. The proposed/existing capital structure and the particulars of non-stockbroker shareholders and the amounts of share capital issued or which it is proposed to issue to them should be set out in a schedule and attached to the application.

APPENDIX II—Continued

STATEMENT BY SPONSORING DIRECTORS

We, being Directors of the Trinidad and Tobago Stock Exchange, propose and second that.....
..... Limited should be registered as a Member of the Stock Exchange.

We are aware of the contents of the Company's application for registration and we are satisfied that to the best of our knowledge and belief the statements made therein are correct.

From our personal knowledge of the Directors of the Company we are satisfied of its fitness in all respects to become a Member.

Signature of Proposer Full Name

Date 20.....

Signature of Seconder Full Name

Date 20.....

APPENDIX III

FORM OF APPLICATION FOR REGISTRATION AS A STOCKBROKER

(Sections 16 and 18 of the Securities Industry Act, Ch. 83:02)

TO THE BOARD OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

I wish to be registered as a Stockbroker of the Trinidad and Tobago Stock Exchange upon the terms of, and under and subject in all respects to, the Securities Industry Act, Ch. 83:02 and the Articles, Regulations and Rules of the Stock Exchange which now are, or hereafter may be for the time being in force.

I am aware of the Articles, Regulations and Rules of the Trinidad and Tobago Stock Exchange and of the obligation imposed on Stockbrokers upon their registration.

I attach a statement evidencing that, to the best of my knowledge and belief my professional and business connections and shareholdings are not such that they would in any way adversely affect the conduct of my stockbroking business, and also evidence that this application conforms to the requirements of section 18 of the SIA.

I enclose a declaration form in accordance with Schedule 8 of the Listing Requirements.

Yours faithfully,

Date 20..... Signature

**STATEMENT BY SPONSORING DIRECTORS OF
THE STOCK EXCHANGE**

We recommend Mr./Mrs./Miss. as a fit and proper person to be registered as a stockbroker of the Trinidad and Tobago Stock Exchange. We have read the candidate's application and are aware of the contents of the candidate's declaration under Schedule 8.

We are satisfied that to the best of our knowledge and belief the statements made in respect of his/her application are correct.

Signature of the Proposer Dated

Signature of Seconder Dated

APPENDIX IVA

**LIABILITY NOTICE BY A DIRECTOR OF A LIMITED
CORPORATE MEMBER**

(Securities Industry Act, section 36)

TO THE BOARD OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

..... Limited

In accordance with the provisions of Securities Industry Act, Ch. 83:02 section 36, I give you notice that I hereby assume (jointly and severally with such persons as may from time to time be Directors of the above Company and have given a Notice similar to this Notice which has not been withdrawn) liability for the debts and obligations of the Company including debts and obligations existing prior to the

day of 20..... when this Notice shall take effect, provided that the limit of the personal liability I assume under this Notice shall not exceed \$

Signed

Dated 20.....

We being Directors of the Company, on behalf of the Board, confirm the above Notice and request you to amend the Stock Exchange records accordingly.

Signed }
..... } *Directors*

N.B.— To be signed by two Directors of the Company.

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Trinidad and Tobago Stock Exchange Rules

APPENDIX IVB

WITHDRAWAL OF LIABILITY NOTICE

(Securities Industry Act, Ch. 83:02 section 36)

TO THE BOARD OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

..... Limited

I hereby request permission to withdraw the Liability Notice whereby I assumed liability not exceeding \$..... for debts and obligations of the above Company, to the intent that I shall not be liable for the Company's debts and obligations incurred after the day of 20.....

Signed

Dated 20.....

We, being Directors of the Company, on behalf of the Board confirm that we have no objection to the above and request you to amend the Stock Exchange records accordingly.

Signed }
..... } *Directors*

N.B.— To be signed by two Directors of the Company.

APPENDIX V

FORM OF APPLICATION FOR AN AUTHORISED
DEALER (RULE 501)

TO THE BOARD OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

We Limited
request permission for Mr./Mrs./Miss..... aged
to act as an Authorised Dealer of this Company commencing 20.....

We attach the career record of the Candidate since leaving school.

We certify that—

- (1) We have full knowledge of the Candidate's previous career and have obtained a satisfactory reference from his last employer.
We are aware of the Candidate's declaration under Schedule 8.
- (2) The candidate is in the bona fide full time employment of ourselves.
- (3) We hold ourselves responsible to the Board for the conduct of his business and for his behaviour in all matters affecting the Stock Exchange or its Members.
- (4) We undertake to inform you at once if the Authorised Dealer is withdrawn or ceases to be employed by us.
- (5) The Candidate will abide by and conform to the Articles, Regulations, Rules, Administrative Procedures and Usage of the Stock Exchange, and any directions given by the Board.

We are aware that Employers are held responsible for the Stock Exchange business transacted by authorised dealers.

Yours faithfully,

Signed.....

Dated of 20

The Authorised Dealer to sign the following:

I understand and agree to the above. I append a declaration in conformity with Schedule 8 of the Listing Agreement.

Signed

Dated of 20

APPENDIX VI
NOTES FOR GUIDANCE ON THE COMPLETION OF
LIQUIDITY RETURNS

1. Member companies should refer to rules 300 and 301, the notes for guidance of member companies relating to these rules issued by the Board, and to the detailed description in Form LM.2, LM.3 and LM.4.
2. This return is to be completed and submitted quarterly by all member companies. One of the dates selected for the preparation of these figures should coincide with the last date of the company's financial year.
3. The return should be prepared from a trial balance and it will normally be sufficient to use control account totals (provided that these are subject to regular agreement with listing of individual balances) except in those instruments where further detailed analysis of particular items is required, as for example is the case with client balances. Any item for which member companies consider that no appropriate heading is provided should be shown separately on the return together with a suitable description.
4. Explanatory notes of any unusual items should be submitted with the completed return where appropriate.
5. Where there are no amounts appropriate to any particular item in the return or in the supplementary schedule please state "NIL" in the appropriate box.
6. The form which is sent to the Exchange Accountant should be signed. The signatures of two Directors are required in all cases. If the Managing Director also acts as the Finance Director please ensure that a second Director also signs the return.
7. Bank reconciliation should be carried out at the date of the return in respect of all balances with banks, or by reference to the latest bank statement prior to the date of the return.
8. Amounts deposited on behalf of clients which do not form part of the firm's assets, in accordance with the arrangements with the clients concerned, should together with the corresponding rights of the clients to the deposits be entered in the boxes inserted on pages 2 and 3.
9. Any refunds of tax which have been taken into account in calculating the tax provision, should be stated separately with a note as to whether or not the refund has been agreed with the Inland Revenue. If it should be desired to alter the basis upon which provision is made for taxation liabilities, the amount provided should be shown here and the details of the revised basis supplied.
10. This provision should be a reasonable estimate of the eventual taxation liability attributable to the profit available to the member company which has been earned in the period since the last financial year end; a proportion of the annual allowances as appropriate should be used in estimating the provision.
11. The settlement offices box has no current relevance, and is included for future purposes.

UNOFFICIAL VERSION

UPDATED TO DECEMBER 31ST 2015

FORM LM 1

LIQUIDITY RETURN

This report is being filed pursuant to rules 300 and 301 in accordance with the Rules and Regulations/Procedures of the Trinidad and Tobago Stock Exchange

NAME OF MEMBER COMPANY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS

(Do not use P.O. Box Number)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT WITH REGARD TO THIS REPORT

FOR QUARTER ENDED

.....

Minimum liquidity margin methods used by Respondent *re* Rule 301(12)(b)(iii).....

.....

Minimum liquidity margin required \$

Check Here if Respondent is Filing an Audited Report//

.....

EXECUTION:

The firm submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, financial information and/or supporting details are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

.....

Dated the day of 20.....

Manual signatures of:

(1)
Principal Executive Officer or Managing Director

(2)
Director

Reviewed by
Name of Stock Exchange Accountants

LAWS OF TRINIDAD AND TOBAGO

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FORM LM 2

**LIQUIDITY RETURN
STATEMENT OF FINANCIAL CONDITION**

Assets

	Approved \$	Non-Approved \$	Total \$
1. Cash and Bank Balance at Short Notice			
A. Cash, stamps, bank balances encashable within three months			
B. Fixed deposits, etc.			
C. Deposits with local authorities, etc., encashable within one year			
D. Deposits on behalf of clients			
2. Securities			
A. Trinidad and Tobago government securities			
B. Listed securities			
C. Others			
3. Clients, Staff and Directors' Connected Persons			
A. Clients who settle on Account Day or pay against delivery			
B. Clients' unsecured balances outstanding more than ninety days			
C. Employees			
D. Employees' balances outstanding for more than ninety days			
E. Amounts owing other than in ordinary course of Stock Exchange business			
—Clients			
—Employees			
—Others			
4. Member Companies			
A. Member companies balances outstanding for ninety days or less			
B. Member companies balances outstanding for more than ninety days			
5. Stock Exchange settlement office			
6. Fixed assets			
7. Payments in advance			
8. Taxation recoverable			
9. Shares and indebtedness of subsidiary companies			
10. Others			
TOTAL ASSETS			

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FORM LM 3

LIQUIDITY RETURN
STATEMENT OF FINANCIAL CONDITION

Ranking Liabilities

	\$	Total \$
11. Loans and Advances		
A. Bank loans and overdrafts-secured
Bank loans and overdrafts-unsecured
B. Other loans
12. Clients, Staff and Directors' Connected Persons		
A. Clients—for stock exchange business
B. Clients—for money placed on deposit
C. Employees
13. Member Companies		
A. Member companies
B. Stock Exchange settlement offices
14. Other amounts payable in ordinary course of Stock Exchange business.....
15. Amount owing to subsidiary companies
16. Tax provisions		
A. Provision for taxation at latest financial year-end adjusted for subsequent payments and revisions
B. Estimated provision for tax on profit earned latest financial year end
17. Creditors and accruals
18. Others (List)
A.
B.
C.
D.
TOTAL RANKING LIABILITIES

Stockholders Equity

19. Corporation (Company)		
A. Preferred Shares	...	.....
B. Common Shares	...	.....
C. Share Premium—Other Reserves	...	.....
D. Retained Earnings	...	.....
E. TOTAL	...	.....
F. Add: Subordinated loans	...	.....
20. Total stockholders equity and subordinated loans...		.....
21. Total liabilities, stockholders equity and subordinated loans	...	.....

FORM LM 4

LIQUIDITY RETURN
COMPUTATION OF NET CAPITAL

	\$	\$
1. Total Stockholders Equity (from Statement of Financial Condition line 19E) ... ..	.....	.....
2. Deduct: Stockholders Equity not allowed for net capital ... ..	.....	.....
3. Total Stockholders Equity qualified for net capital ... ..	.....	.....
4. Add:		
A. Subordinated Loans allowable in computation of net capital .....	.....	.....
B. Other (deductions) or allowable credits (List)... ..	.....	.....
5. Net Worth ... ..	.....	.....
6. Deductions and/or charges		
A. Total non-approved assets from Statement of Financial Condition... ..	.....	.....
B. Other Deductions and/or Charges... ..	.....	.....
7. Total Deduction and/or Charges ... ..	.....	.....
8. Net Capital ... ..	.....	.....

COMPUTATION OF MINIMUM NET CAPITAL REQUIREMENT

PART A

9. Minimum net capital required (10 per cent of line 13) ... ..	.....	.....
10. Minimum dollar net capital requirement of Member Company (Note A) ... ..	.....	.....
11. Net Capital requirement (greater of line 9 or 10) ... ..	.....	.....
12. Excess/Deficit of net capital (line 8 less 11) ... ..	.....	.....

COMPUTATION OF RANKING LIABILITIES

PART B

13. Total ranking liabilities from Statement of Financial Condition .....	.....	.....
14. Percentage of ranking liabilities to net capital (line 13 — by line 8) ... ..	.....	.....

NOTE A: The minimum dollar net capital required should be computed by adding \$25,000 for each registered Stockbroker of the company to \$12,500 for each Authorised Dealer in the company.

UNOFFICIAL VERSION

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APPENDIX VII

APPLICATION FOR INCLUSION IN THE REGISTER OF
BANKS AND AGENTS [RULE (306)]

Period ending 31st December, 20.....

TO THE BOARD OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

We hereby apply to have our name placed on the above Register under Rule 306 and enclose our cheque for the annual registration fee of \$

In support of the application we undertake:

- (1) that no part of our share of commission shall directly or indirectly be returned or allowed to the Principal or to any other person;
- (2) that we will not knowingly claim or accept a share of commission on any transaction for the account or benefit of any third party whose name is for the time being included in any Register of Banks or of Agents maintained by the Stock Exchange;
- (3) that we will not in any advertisement, circular, business letterhead or card or other document on which our name appears or on any plate, board, sign or the like make or allow to be made any reference to the fact that our name is or has been included in the above Register;
- (4) that on enquiries by the Board of the Stock Exchange (the Board) into dealings in any security we will supply the Board, unless our legal obligations and our responsibilities to our customers otherwise require, particulars of dealings we have effected for our customers whenever required to do so;
- (5) that without prejudice to any other rights of a Member Company of the Stock Exchange, as between us and such Member Company, we will accept the liabilities of our customer in fulfilling obligations to such Member Companies where those responsibilities arise solely from—
 - (i) instructions given by us on behalf of our customer; or
 - (ii) instructions given direct by our customer which have been specifically confirmed on receipt by us of the contract note from the Broker;
- (6) that we will not knowingly give our Brokers instructions which, in the execution thereof, would cause them to act contrary to the Rules and Regulations of the Stock Exchange;
- (7) that we will inform our Brokers whom we instruct if any of the business covered by our instructions is business which does not entitle us to share commission by reason of the fact that it is business for our own account.

REGISTRATION

(a) *Renewal Procedure*

Registration will automatically lapse on 31st December, 20..... unless on application made by us the Board renews the registration of our name for a further period, provided that if we apply for renewal and the Board intends to reject our application the procedure set out in subparagraph (b) of this paragraph shall apply whether the Board's intended rejection arises from any alleged breach by us of any of our obligations hereunder, or is for some other reasons;

(b) *Removal from the Register*

The Board may only remove our name from the Register for good reason, and should the Board intend to remove our name from the Register by reason of any alleged breach by us of our obligations under this undertaking or for any other reason, it will give us immediate written notice of such intention specifying the alleged breach or reason and it will afford us the opportunity to rebut such alleged breach or to show why our name should not be removed from the Register, and until a final decision has been reached, it will treat the matter in the strictest confidence.

Signature of Applicant

Date

Name of Company

APPENDIX VIII
STOCK EXCHANGE SETTLEMENT
PROCEDURE GUIDELINES

<i>Summary of Settlement Procedure</i>					<i>Timing: D equals Day of Deal</i>
S.1	Client Selling Order to Broker S	...	...	...	before D
B.1	Client Buying Order to Broker B	...	...	...	before D
S.2 } B.2 }	Market Transaction	...	...	...	D
S.3 } B.3 }	Market Contract Note made out	...	...	...	D
S.4	Client Sold Contract Note issued	...	...	...	D
B.4	Client Bought Contract Note issued	...	...	...	D
S.5	Broker S makes initial sold STF entries and despatches STF to Client	...	...	...	D plus 1*
S.6	Client S completes signature of STF and returns it to Broker S with certificate, or with certificate to follow	...	...	...	D plus 5
S.7	Certification of STF or BTFs if STF is to be split	...	...	...	D plus 5/6
S.8	STF plus certificate or certified STF or BTF despatched under standard covering form through Central Delivery to Broker B	...	...	...	D plus 10 (at explicit time)
B.5	Cheque from Buying Client to Broker B	...	...	...	D plus 10
B.6	Broker B scrutinises documents for "good delivery", pays cheque through Central Delivery to Broker S...	...	...	...	D plus 10 (at explicit time)
S.9	Selling Broker cheque to Selling Client...	...	...	...	D plus 10
B.7	Broker B inserts Buying Clients name on STF and makes declarations	...	...	...	D plus 10
B.8	STF, certificate and cover note sent to Registrar (Note: BTFs and certified STF to Stock Exchange)	...	...	...	D plus 12
B.9	Registrar carries out statutory functions, after scrutiny, registers the transfer, and issues new certificates	...	...	...
B.10	Despatch of new certificate to Broker B.				
B.11	Despatch of certificate to Buying Client.				

*Any reference to number of days throughout this paper should be read as number of business days.

NEW SETTLEMENT CONTROL PROCEDURE

- | | |
|--|-----------------------|
| 1. <i>Preparation of Settlement Control Notes</i> | <i>Timetable</i> |
| (a) Preparation of Settlement Control Notes (SCNs) according to serial numbers in the sequence they appear in the Market Bargain Records (MBR) | Dealing Day |
| (b) Settlement Control Notes shall be prepared in triplicate. | |
| (c) Settlement Control Notes will include the following information: | |
| (i) Settlement Date | |
| (ii) Number of shares | |
| (iii) Security | |
| (iv) Value-price and consideration | |
| (v) Purchase Date | |
| (vi) Bargain conditions—XD; XC; XR | |
| (vii) Market Contract Ref. No. | |
| (viii) Cheque Number and Date | |
| (ix) Buying Broker—Name; Signature | |
| (x) Selling Broker—Name; Signature | |
| 2. <i>Distribution of Settlement Control Notes</i> | |
| (a) The pink copies of Settlement Control Notes are delivered to the Buying Brokers. | |
| (b) The blue copies of Settlement Control Notes are delivered to the Selling Brokers | D.D. + 1 |
| (c) The white copies of Settlement Control Notes are retained at the Stock Exchange. | |
| 3. <i>Filing of Settlement Control Notes</i> | |
| (a) Folders are maintained which can accommodate the filing of the three copies of the Settlement Control Notes separately in the same file. | |
| (b) The folders shall be marked—
<i>Settlement Control Notes</i>

Dealing Date Settlement Date | |
| Serial No. To No. | |
| (c) Copies are filed in serial number sequence. | |
| (i) White copies are filed, immediately after preparation ... | D.D. + 1 |
| (ii) Pink copies are filed, when completed and returned by the Buying Brokers | D.D. + 5 to D.D. + 10 |
| (iii) Blue copies are filed, when completed and returned by the Selling Brokers—(after these copies had been checked against Transfer Documents by the Certification Desk, and also against photocopies of the same Settlement Control Notes that may have been received earlier for part-deliveries) | D.D. + 5 to D.D. + 10 |
| 4. <i>Completion</i> | |
| (a) On settlement day the file is checked for completion, i.e., that all copies issued for that date are returned. | |
| (b) A “list of outstanding transactions” (pinks and blues) is prepared by completing the appropriate form | D.D. + 11 |
| (c) A copy of the above list together with the copies (i.e., pink, blue and white) of the Settlement Control Notes received as at settlement day are then packaged together clearly marked on the outstanding Settlement Control Notes, Dealing Day, Settlement Date, Serial No. to No. and stored as completed. | |
| (d) The original of the “list of outstanding transaction” is kept in a file and followed-up for completion <i>re</i> special condition of Extension; Buying-In, Selling-out, etc.... .. | D.D. + 15 |
| (e) A copy of the “list of outstanding transactions” with the appropriate “action taken” and together with “relevant Settlement Control Notes” are then packaged together, clearly marked on the outside Settlement Control Notes, Dealing Date, Settlement Date, Serial No. to No. and stored as completed | D.D. + 16 |

SETTLEMENT PROCEDURAL GUIDELINES

Client Orders to Brokers	S.1, B.1	<p>Any procedures or forms associated with client orders to Brokers are at the discretion of Member Companies, and will not directly concern the Stock Exchange. Brokers will take what steps they require to assure the fiduciary nature of the instruction form the client at this stage. Section 59 of the Securities Industry Act requires the reporting of new clients to the Stock Exchange, and prohibits dealing with clients who have defaulted with any Broker. The Stock Exchange will keep a confidential register of clients, together with client records relevant to this section.</p>
Market Transaction	S.2, B.2	<p>Conduct of market transactions is defined in the Dealing Rules.</p>
Market Contract Note	S.3, B.3	<p>(1) At the end of each Trading Session, the Selling and Buying Brokers make out and initial a Market Contract Note. The Note is in triplicate, and supplied, at cost, to Brokers in book form. When completed and signed by the Selling Broker, and also signed by the Buying Broker the three copies are retained:</p> <ul style="list-style-type: none">(a) top copy (yellow) to the Buying Broker;(b) second copy (blue) to the Market Official;(c) third copy (white) retained by the Selling Broker whose Note was made out. <p>(2) The first and third copies then initiate the Client Contract Note which under the legislation shall be sent out within twenty-four hours of the deal, and also the Brokers' accounting postings in their Settlement Ledgers.</p> <p>(3) The second copy is passed to the Stock Exchange Settlement Clerk who compiles the market price data to be passed to Quotations for the Official List, and who maintains the central record of bargains.</p> <p>(4) The Market Contract Note clarifies the terms and conditions under which the bargain was dealt.</p> <p>Individual entries as follows:</p> <ul style="list-style-type: none">(a) Selling Broker;(b) Transaction Date;(c) Serial Number. The Notes are serially printed and the addition of a code letter before the serial number identifies a specific selling broker;(d) Settlement Date. Entered according to the day posted on the dealing Board at the time of dealing;(e) Number of Shares. Entered as a number;(f) Security. Entered as abbreviated security title;(g) Price. Entered as the match on the Dealing Board;(h) Conditions. Entered to assist in later office procedures. Standard conditions will also be identifiable against date of dealing. Space is allotted for any explicit bargain condition agreed at the time of dealing;(i) Selling and Buying Broker Signatures. Initials only required if the broker is buying for his position. This must be stated;(j) Client References. Space included for Brokers Office convenience only.
Client Bought and Sold Contract Notes	S.4, B.4	<p>(1) The Securities Industry Act requires that Client Contract Notes must be issued within twenty-four hours of the deal. The Stock Exchange does not specify the general form of client contract notes, but use of the standard format by Brokers will facilitate future mechanised processing.</p> <p>(2) Securities Legislation requires that the Client Contract Notes clearly identify the Member Company as a Member of the Stock Exchange does not specify the general form of client contract notes, but use of the standard format by Brokers will facilitate future mechanised processing.</p>

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		(3) The Client Contract includes: <ul style="list-style-type: none">(a) the full name and registered address of the Member Company;(b) the security and amount bought or sold;(c) the price which shall be the price of the bargain on the Market Floor;(d) the consideration, i.e., quantity times price;(e) commission payable;(f) total;(g) account day for settlement.						
Selling Broker initiates Transfer Procedure	S.5	(1) For use in Stock Exchange transactions a new Transfer Form (STF) has been designed to accommodate: <ul style="list-style-type: none">(a) revised rules for alien declarations in the Securities Industry Act;(b) removal of need for attestation of signatures specified in the Securities Industry Act;(c) removal of need for transferee's signature;(d) signature and stamping of transferee declarations by Brokers;(e) introduction of use of Broker Transfer Form (BTF) to facilitate delivery of split certificate. <p>(2) For the detailed procedure related to Transfer, reference should be made to "The New Transfer System and Certification Procedure" Appendix IX.</p> <p>(3) In respect of S.5 the Selling Broker enters on the STF the name of the undertaking, the full description of security and amount in figures and words and the name(s) of the seller. Having done this, either with the Sold Contract Note, or as soon as possible thereafter, he despatches the STF for the seller's signature.</p>						
Return of signed STF and stock certificate by Selling Client.	S.6	The Selling Client should return the transfer immediately so that it can be pre-processed for delivery. If the certificate is not by then available, the Client should ensure that together with the STF it is in the hands of the Selling Broker not later than five days after the deal so that delivery to the Buying Broker can be made on the appropriate Account Day.						
Certification of BTF if the STF is to be split.	S.7	(1) The Securities Industry Act contains provisions to allow the Stock Exchange to operate a Certification Service on behalf of Company Registrars. This is described in Appendix IX.						
Stock deliveries despatched to Buying Broker through Central Delivery.	S.8	(1) Brokers should deliver between themselves by use of the Stock Exchange Central Delivery. Behind the Stock Exchange Counter there are racks of pigeonholes. The system also covers Registrars and major institutional clients. <p>(2) The Central Delivery point is open during office hours on all business days, and messengers may deliver and collect from it letters or documents.</p> <p>(3) On each Account Day (i.e., every tenth business day after a dealing day) Selling Brokers deliver their STFs and stock or certified STFs or BTFs to the Counter where the clerk distributes it to the addressee Brokers' pigeonholes. Buying Brokers likewise collect documents due for delivery to them. The deadlines for this operation are:</p> <table><tr><td>Delivery of Stock</td><td>...</td><td>Not later than 9.00 a.m. each Account Day</td></tr><tr><td>Collection of Stock</td><td>...</td><td>9.30 a.m. each Account Day</td></tr></table>	Delivery of Stock	...	Not later than 9.00 a.m. each Account Day	Collection of Stock	...	9.30 a.m. each Account Day
Delivery of Stock	...	Not later than 9.00 a.m. each Account Day						
Collection of Stock	...	9.30 a.m. each Account Day						
Client cheques to Brokers	S.9, B.5	(1) The principle of the Account Day system is that, to permit management of money positions, delivery and payment should be on the same day, and that all payments by clients and brokers shall occur on that day.						

LAWS OF TRINIDAD AND TOBAGO

MINISTRY OF THE ATTORNEY GENERAL AND LEGAL AFFAIRS

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			<p>(2) On the Client Contract Notes, clients would be informed that with respect to a particular bargain, their payment in settlement to, or their payment from the Broker would be due on the tenth business day following the transaction in the market. Settlement of account between the client and the broker may, however, be by private agreement between the client and the broker before that date.</p>
Receipt delivery and payment by the Buying Broker	B.6		<p>(1) Having received the STF and certificate or certified STF or BTF through Central Delivery, the Buying Broker scrutinises for good delivery, and if satisfied despatches the cheque, through Central Delivery, to the Selling Broker.</p> <p>(2) The deadlines for this operation are: Delivery of Cheques—Not later than 11.00 a.m. each Account Day Collection of Cheques—11.30 a.m. each Account Day.</p>
Bought Transfer Processing	B.7		<p>Procedures for processing of bought transfers by the Buying Broker are given in Appendix IX.</p>
STF, certificate and cover note sent to the Register	B.8		<p>Procedures for despatch of bought transfers by the Buying Broker for registration are given in Appendix IX. It should be noted that STFs covered by certificates are sent direct to the Registrar via Central Delivery, but BTFs and certified STFs must be sent through the Certification Office where the whole set of split transfers is collated before despatch by the Stock Exchange to the Registrar.</p>
Registrar Functions	B.9		<p>The Registrar scrutinises the Transfer and Certificate and registers the stock into the name of the buyer.</p>
Despatch of Certificate to Broker	B.10		<p>The Registrar, within 30 days of receipt of the transfer, despatches new certificate to the Buying Broker.</p>
Despatch of Certificate to Buying Client	B.11		<p>The buying broker delivers the certificate to the buying client.</p>

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APPENDIX IX

THE NEW TRANSFER SYSTEM AND CERTIFICATION PROCEDURE

Signature
by Seller.

1. (a) The Stock Transfer Form (STF) may be prepared and signed by the transferor before the sale in the Market. If this is not done, the broker carrying out the sale will prepare and send out with the contract note, or immediately thereafter, an STF for the signature of the seller on which the security and the amount has been entered. The seller will be asked to sign and return the transfer immediately together with the share certificate, if held by him.

(b) Brokers should always send an unaltered STF to the seller, but if exceptionally it proves necessary to make an alteration on a transfer form prior to signature, the transferor should be asked to initial any amendment(s) including "white-out" deletions.

Processing
of Sold
Transfers.

2. The procedure of processing the sold transfer then diverges according to the following cases:

(a) If the total share certificate is to one buyer, the selling broker will—

- (i) insert the buyer's consideration money on the STF;
- (ii) place his stamp and the date in the box beside the transferor's signature on the STF;
- (iii) place the market contract note reference and date of the transaction relating to the transfer in the box marked "for completion by Stock Exchange/Registrar" on the STF;
- (iv) deliver the STF and the share certificate to the Stock Exchange under cover of a transmission note indicating clearly the Buying Broker. The Stock Exchange will scrutinise and record the delivery, and having stamped it, place it in the Buying Broker's Central Delivery Box for collection.

(b) If part of the share certificate is to one buyer, the selling broker will—

- (i) insert the buyer's consideration money on the STF;
- (ii) place his stamp and the date in the box beside the transferor's signature on the STF;
- (iii) fill in, on the reverse of the STF, the number of securities required to be registered (as on the face) and the balance, which together must total to the number of securities on the certificate. Complete the required form of Advice with regard to the balance (See Attachment I) and obtain certification of the documents. The Stock Exchange will retain the certificate and the Advice for forwarding to the Registrar;
- (iv) deliver the certified STF to the buying broker;
- (v) receive from the Registrar a certificate in the name of the transferor for the unsold balance of shares.

(c) If part or total of the share certificate is to two or more buyers the selling broker will—

- (i) leave blank the consideration money on the STF;
- (ii) place his stamp in the box beside the transferor's signature on the STF;
- (iii) cancel the lower (transferee detail) part of the STF;
- (iv) fill in the details of the splits required on the reverse of the STF, so confirming to the Stock Exchange and Registrar the shapes of the Broker Transfer Forms (BTFs) required;

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- (v) complete Part 1 (i.e., transferor details) of a BTF for each of the component sales, leaving blank the consideration on the BTF. All BTFs must represent actual sales, and the market contract note reference and the date of the transaction must be entered on the BTF in the box marked “for completion by Stock Exchange/Registrar”;
- (vi) fill in the balance if appropriate. A balance certificate must be sought if the securities represented by the BTFs do not total to those on the relevant certificate(s);
- (vii) place his stamp and the date in Part 1 of each BTFs;
- (viii) complete the Advice of BTFs (Attachment II);
- (ix) take the Advice, STF, the BTFs and the certificate(s) relating to them to the Stock Exchange which will:
 - (A) scrutinise the documents;
 - (B) stamp and initial the STF and the BTFs;
 - (C) make available to the selling broker the BTFs for collection that day;
 - (D) retain the STF and certificate(s) (together with the Advice of BTFs);
- (x) hold the certified BTFs for delivery to the buying broker on the due Settlement Day.

Splits required by Buying Broker.

3. In the case that a single bought bargain comprises two or more client orders, and the buyer broker, therefore, requires split delivery of a single Market Contract, the buyer broker, either at the time of exchanging the Market Contract Note or within 48 hours of the deal, must notify the selling broker of the shares required. The selling broker must then, according to section 2, as may be appropriate, obtain certified BTFs for delivery to the buying broker.

Receipt of Transfer Forms by Buying Broker.

4. (a) The procedure of processing the bought transfer diverges according to the three cases quoted in 2(a) above.

(b) If as in 2(a) above an STF covered and equated by a share certificate is received, the buying broker will—

- (i) verify that the stamp of selling broker making delivery to him and that of the Stock Exchange appear on the STF;
- (ii) insert the particulars of the transferee, including the declarations on the reverse of the STF;
- (iii) place his stamp on the appropriate box in the transferee section of the STF;
- (iv) despatch the STF and the certificate to the Registrar through the Central Delivery System.

(c) If, as in 2(b) above, a certified STF is received, the buying broker will take action as in 4(b) above, except that he will despatch the certified STF to the Stock Exchange, which would be despatched to the Registrar by the Stock Exchange, together with the Advice of Balance Certificate.

[Not yet implemented].

(d) If, as in 2(c) a BTF is received, the buying broker either—

- (i) [on his client’s instructions holds the BTF for sale on the Market during the period prior to the date for lodgement with the

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- Registrar, over which period the transferee details are not entered]; or
- (ii) in the case that his client wishes to be immediately registered, or in the case that he is still holding the BTF until one day before the lodgement date he will—
- (A) verify that the stamp of the selling broker making delivery to him appears on the BTF;
- (B) insert particulars of the transferee, including the declarations on the reverse of the BTF;
- (C) enter on to the BTF the consideration paid by the transferee;
- (D) place his stamp on the appropriate box in the transferee section of the BTF;
- (E) not later than 9.00 a.m. on the date stamped on the BTF indicating the final date for lodgement with the Stock Exchange, deliver the BTF to the Stock Exchange for some referencing to the parent STF, and despatch to the Registrar.
- Central Procedures with regard to BTFs operated by Stock Exchange and Companies' Registrars.
5. (a) On presentation, at the prescribed times, of document described in 2(c) above, by the selling broker, the Stock Exchange Certification Office will—
- (i) scrutinise the validity of the documents, rejecting if invalid;
- (ii) assign and enter a reference on the STF and a sub-reference on each BTF;
- (iii) place the Stock Exchange Certification Stamp on the box indicated on the STFs and the BTFs;
- (iv) stamp the STFs and BTFs with the final date for lodgement with the Stock Exchange (i.e., two days after the due Settlement date);
- (v) enter the relevant details into the Certification Control Record;
- (vi) hold the STF and the certificate(s) for despatch to the Registrar after the BTFs have been delivered to the Stock Exchange by the Buying Broker.
- (b) On receipt of “split” STF and certificate(s) the Registrar will—
- (i) check the documents, and make out and return the receipt to the Stock Exchange;
- (ii) in due course effect the registration of the stock into the names of the transferees on the BTFs.
- [Not yet implemented].
- [(c) A BTF delivered to a buying broker may be sold by the buying client if the transaction and the settlement of the transaction can be completed two days before the final date for lodgement stamped on the BTF. If such further sale is to satisfy more than one bought bargain, the BTF may be split in the following manner:
- (i) the required BTFs are completed by the selling broker as in 2(c) for the amounts of securities required, which must total to the whole of those of the BTF being split. The principal reference on the BTF is not transferred. The Market Contract Note reference on the BTFs is not that of the transactions related to the new BTFs;
- (ii) the selling broker presents the original BTF together with BTFs for the components into which it is to be split to the Certification Office;
- (iii) the Certification Office locates the original BTF in the Certification Control Record, cancels the old BTF by clearly stamping “cancelled” across it with two diagonal lines; cancels the entry of it in the Control Record;
- (iv) new sub-references under that of the original STF are assigned to the new BTFs, and these, together with other required detail are entered into the Control Record;

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- (v) the cancelled BTF is filed;
- (vi) the new BTFs are stamped for both certification and lodgement date and made available to the selling broker through Central Delivery].

(d) All BTFs must be delivered to the Certification Office not later than 0900 a.m., on the day for lodgement stamped on them, the Certification Office will then—

- (i) sort the BTFs into reference order;
- (ii) reconcile the BTFs with the Certification Control Record;
- (iii) marry the BTFs to the STFs and certificate(s) to which they relate;
- (iv) mark the entries for the STFs and BTFs in the Certification Control Record as “Despatched to Registrar”;
- (v) despatch the STFs and BTFs to the Registrar under a copy of the Advice Note, the receipt for which will be returned by the Registrar;
- (vi) ensure a copy of the control sheet, and receipt, is filed.

(e) Under Stock Exchange Rules a Broker failing to return a BTF by the deadline may be fined, and in the event of consistent default, the service would be withdrawn from the Member Company concerned.

[Not yet implemented].

[(f) Unless otherwise requested by the Broker, any STF for which the market contract note date is within ten days or less of the final date for lodgement will be stamped for lodgement on the next final date. All BTFs, and sub-BTFs related to an STF will always be stamped with the lodgement date of the STF].

Confinement of BTFs to the Market [Not yet implemented].

6. BTFs may only be passed between selling and buying brokers, the Stock Exchange and the Companies’ Registrars. Stock Exchange Rule 218 penalises any broking member company infringing this procedure. [Brokers must not hold BTFs in blank (i.e., with buyers name not entered) on behalf of a client without the client’s knowledge, and holding of a BTF in blank on behalf of a client shall be treated as safe custody of stock].

Reproduction on BTFs of matters contained on the STF

7. Common information on the STF and the BTF may be reproduced by carbon paper or photographic means, but broking companies must ensure the clarity and indelibility of such process. All BTFs used must be the standard blue Stock Exchange printed forms, to ensure immediate identification.

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PROCEDURES FOR DELIVERING TRANSFERS AND CERTIFICATION ITEMS TO THE STOCK EXCHANGE

(Reference to Appendix IX)

Straight Transfer

The following is required in the following order:

1. Settlement Control Note (Listing the splits and stating "STF" in the section marked "Remarks").
2. A letter addressed to the Buying Broker (BB).
3. Stock Transfer Form listing the information required.
4. Certificates (of more than two, a tape is applicable).

When securities are brought by your own firm the following are needed:

1. Settlement Control Note.
2. A letter addressed to the Registrars.
3. Follow through on 3 and 4 from the above list.

(Please note that on the STF the Buying Client's name must be typed or written in before forwarding to this office).

Straight transfers, especially in the case when the Buying Broker (BB) is another member firm, should reach the Exchange on the 9th day to ensure delivery to the buying broker on the morning of the 10th day.

Certification Items

The following is required in the order listed:

1. Settlement Control Note (Listing the split and stating "BTF" in the section marked "Remarks").
2. BTF Advice or STF Advice (if the number of Certificates exceed the required space on these forms, please indicate "PTO" and type the information on the reverse side of the advice).
3. Stock transfer form listing the information required (please ensure that the required split section is filled out, and that the amount placed on the front section indicates the total amount for consideration).
4. Certificates (if more than two, a tape is applicable).
5. Broker Transfer Forms (where applicable). These should be arranged in date order. (Please note that a BTF must only carry transactions on one given date).

Certification items must reach the Exchange by the fifth day after trading, giving the buying broker sufficient time to indicate to the selling broker the splits required (which is 48 hours after trading).

When delivery is being made to the Stock Exchange, all straight transfers, certification items and BTFs returns must be placed in separate envelopes, indicating on the envelope contents inside.

When there is a problem to obtain photocopies of the SCN, a slip of paper the same size as the SCN can be utilised, but the information must be written in detail for ease of reference.

In order to keep proper records of certification items at your office, it is important on receipt of the BTFs from the Exchange, the Exchange reference number should be placed on the copy of the advice held at your office for future references.

Certified Items

When certified BTFs and STFs are being delivered to the buying broker, a copy of the letter from the selling broker to the buying broker must be presented to the Exchange to ensure that delivery was made. It would be to your benefit in your office to quote the Exchange's reference number on your letter. Any follow-up procedures by this office or the Registrars are done strictly by our reference number.

**PROCEDURES FOR THE DELIVERY OF BALANCE
CERTIFICATES/CERTIFIED RECEIPTS TO
THE EXCHANGE**

The following is required, in the order listed, for the delivery of Balance Certificates:

- (1) Letter of request for Certified Receipt (*See* specimen attached).
- (2) (a) Settlement control note or copy thereof listing only the split, being delivered and stating “BTF” or “STF” in the section marked “remarks” (i.e., BTF/STF—Number of shares).
(b) On settlement control note mark in RED “C/R” on the top right hand corner. This will indicate that a Certified Receipt is required for the Balance.
- (3) BTF advice of STF advice (if the number of Certificates exceed the required space on these forms please indicate “PTO” and type the information on the reverse side of the advice).
- (4) Stock transfer form listing the information required (please ensure that the required splits section is filled out, and the amount placed on the front section indicating the amount for consideration). A *RED sticker* must be placed on the STF to show a Certified Receipt is required (bottom right hand corner) or *stock transfer form listing the information required (leaving blank the areas which record the number of shares/units sold). In the section which records splits, ensure the required amounts are filled in leaving blank “total” and “balance due to seller”.*
- (5) Certificates (if more than two, a tape is applicable).
- (6) Broker transfer forms (where applicable) please note that a BTF must only carry transactions on one given date.

NOTE:

- (i) These certification items must reach the Exchange by the third day after trading, giving the buying broker sufficient time to indicate to the selling broker the splits required (which is 48 hours after trading). Further splits will not be entertained.
- (ii) These items should be placed in a separate envelope recording on the outside of the envelope “Balance Certificate”.
- (iii) The exchange will notify your office by telephone (within 24 hours) that the Certified Receipt is ready for delivery. Your broker/dealer would be able to sign and pick up the receipts on any given trading day.
- (iv) If your company failed to execute a sale(s) for the balance or part thereof by the date specified under “last day for trading on this receipt” the receipt must be returned within 24 hours to this office for cancellation.

All Certified “STFs” and “BTFs” must be returned to the Exchange, Registrars have been instructed not to receive any unbalanced items.

On the execution of a sale for the amount on the receipt or part thereof the following are required in the order listed:

- (a) settlement control note or copy thereof listing only the splits being delivered and stating “BTF” or “STF” in the section marked “Remarks” (i.e., BTF/STF—Number of shares);

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- (b) Advice of Certified Stock/Broker Transfer Forms (if the number of certificates which were previously submitted, exceed the required space on these forms, please indicate "PTO" and type the information on the reverse side of the advice). All splits including the ones previously submitted are applicable [Attachment III];
- (c) Stock Transfer Form listing all relevant information required. (Please ensure that the amount placed on the front section represents the total consideration or part thereof from the certified receipt). In the event that the STF held at the Exchange pertaining to the transaction was in accordance with the alternate method in section (4) the aforementioned procedure is not applicable;
- (d) Certified Receipt;
- (e) Broker Transfer Forms (where applicable). (Please note that a BTF must only carry transactions on one given date).

NOTE:

- (i) These certification items must reach the Exchange within forty-eight hours after the last day for trading on the receipt giving the buying broker sufficient time to indicate to the selling broker the splits required. (Further splits will not be entertained).
- (ii) All documents pertaining to a Balance Certificate Transaction will carry the same reference number.
- (iii) In the event that a sale was executed by a Certified Receipt the Exchange will return the original "BTF" or "STF" Advice (cancelled) to your office in order to facilitate you in keeping proper record.
- (iv) List of Registrars' cut-off dates is attached for ease of reference.
- (v) *Please ensure that a clerk from your office is available if the Exchange's Settlement Department needed to have a stock transfer form completed.*

PRO FORMA

General Manager,
Trinidad and Tobago Stock Exchange
65, Independence Square
Port-of-Spain

(Member Company)
(address)

Dear Sir,

TRADING IN CERTIFIED RECEIPTS

We hereby request a Certified Receipt for (500) units of (Agostini's \$1.00 ord. shares) which represents the balance now required to be sold of the attached certified No. (12345) for (2,000) units in the name of (transferor) or (address) of which (1,500) units were sold by MCN No. (00001) on (dealing date).

We undertake to comply with the conditions laid out in respect of the issue of such certified receipt.

Yours sincerely,

.....
(Stockbroker)

ATTACHMENT I

NOTE: *To be made out in triplicate by selling broker. One (1) copy to be retained, two (2) to be sent to Stock Exchange, one of which will be sent to the Registrar.*

No.

TO: THE SECRETARY/REGISTRAR (Name of Company)

STF Reference

**ADVICE OF CERTIFIED STOCK TRANSFER FORM(S) WHEN BALANCE
 CERTIFICATE IS REQUIRED**

I enclose the following share certificate(s) of your Company:

Security	No. of Certificate	Amount of Securities
Transferor		
Total		

to meet Stock Transfer Form(s) carrying the above reference, for the following amount(s) of securities, which have been certified by the Stock Exchange:

.....

===== Total transferred

and for which a Balance Certificate in the name of the present registered holder for (amount) stocks/shares is required, which should be sent, through the Stock Exchange Central Delivery to (Stamp of Selling Broker).

Please acknowledge receipt of certificate(s) and this Advice by completion and return to me, *at your earliest convenience*, of the attached slip.

Settlements Department,
 Trinidad and Tobago Stock Exchange

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No.

To: The Settlements Department, TRINIDAD AND TOBAGO STOCK EXCHANGE

I have to acknowledge receipt of your letter of
 enclosing Certificate(s) for (amount of
 stocks/shares), and notifying that transfer(s) representing
 (amount of stocks/shares) have been certified by you.

for (name of company)

..... Secretary/Registrar.

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ATTACHMENT III

NOTE: To be made out in triplicate by selling broker. One (1) copy to be retained, two (2) to be sent to Stock Exchange, one of which will be sent to the Registrar).

No.

TO: THE SECRETARY/REGISTRAR (Name of Company)

STF Reference

ADVICE OF CERTIFIED STOCK/BROKER TRANSFER FORMS

I enclose the following share certificate(s) of your Company:

Security	No. of Certificate	Amount of Securities
Transferor		
Total		

Together with the Stock Transfer Form(s), and/or Broker Transfer Forms carrying the above reference for the following amounts, certified by the Stock Exchange.

.....
.....
.....
Total transferred		

The Broker Transfer Forms have been stamped as required to be lodged with you on and will be available for collection from the Stock Exchange Counter at 10.00 a.m. on the following day.

A balance certificate in the name of the present registered holder is required for stocks/shares which should be sent through the Stock Exchange Central Delivery to (Stamp of Selling Broker). *(delete if BTFs have been certified for all the above securities).*

Please acknowledge receipt of certificate(s) and this advice by completion and return to me, at your earliest convenience, of the attached slip.

Settlements Department,
Trinidad and Tobago Stock Exchange

To: The Settlements Department
TRINIDAD AND TOBAGO STOCK EXCHANGE

	No.
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I have to acknowledge receipt of your letter of enclosing certificate(s) for stocks/shares, and notifying that transfer(s) representing stocks/shares have been certified by you.

for (Name of Company)