

Trinidad and Tobago Securities and Exchange Commission

Launch of Securities Market Bulletin Publication



*Address by the Chief Executive Officer- Mr. Hadyn Gittens
Yara Auditorium, Arthur Lok Jack Global School of Business*

October 3rd 2018

SALUTATIONS

- Dr. Sandra Sookram, Deputy Governor at the Central Bank of Trinidad and Tobago
- Mr. Patrick Solomon, Acting Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago and Commissioner on the Board at the Trinidad and Tobago Securities and Exchange Commission
- Ms. Michelle Persad, Chief Executive Officer of the Trinidad and Tobago Stock Exchange
- Representatives from the Ministry of Finance
- Representatives from the Ministry of Planning and Development
- Registrant representatives
- Staff at the Trinidad and Tobago Securities and Exchange Commission
- Key stakeholders from various Financial and Academic Institutions
- Members of the media

ADDRESS

I would like to take this opportunity to thank you for attending our Official Launch of the Securities Market Bulletin. This comes after our initial soft launch in 2017. As you are aware, the Securities and Exchange Commission is one of three entities responsible for regulatory oversight of the financial system of Trinidad and Tobago which is broadly made up of commercial banks, credit unions, insurance companies, pension funds, other listed businesses and registrants who conduct business within the Securities Sector. The Commission is specifically empowered by the Securities Act of 2012 and associated legislation to regulate the securities market, which boasted a market value of TT\$221 billion as at December 31 2017, mainly comprising Equities, Collective Investment Schemes, Fixed Income Instruments and Repurchase Agreements.

Set against the backdrop of continuing recovery from the Global Financial Crisis of 2008/09, the evolution of the financial sector and current economic challenges, today's event is, in our view, timely and relevant. The 2008/2009 Crisis, in particular, highlighted the importance of identifying,

monitoring and mitigating risks and vulnerabilities within securities markets, and the impact of the interconnectedness within securities markets globally.

We anticipate that our Securities Market Bulletin will prove beneficial to all of our stakeholders, as it will allow interested market participants an opportunity to more effectively evaluate the risks and potential benefits associated with investing in the securities markets of Trinidad and Tobago. In effect, it will facilitate more informed investment decision-making.

The Securities Market Bulletin represents an important milestone for the Commission in our journey towards achievement of our Strategic Objectives. One important objective that we have set is to “improve our effectiveness as a securities regulator”. Another major objective continues to be that of “fostering the development of the Securities Industry.” Hopefully, this publication will assist in achievement of the two objectives outlined, as well as promote investor confidence in the local securities markets.

The Securities Market Bulletin highlights steady growth in the size of the securities market as well as 29 percent growth in the number of registrants during the year ended December 2017. We now have 425 registrants as at

31 December 2017 compared to 329 at year end 2016. I am also pleased to advise that, despite negative growth in the economy during 2017, the data revealed an increase in Assets under Management by Collective Investment Schemes, which is the second largest segment of the securities market. These positive indicators point to continued confidence on the part of market participants in the local securities market.

We at the Trinidad and Tobago Securities and Exchange Commission have been quietly carrying out our regulatory role in supporting development of the local securities market. In July 2018 we updated the Repurchase Agreement Guidelines and we are currently working on updating key policy agenda items such as:

- The development of Market Conduct Guidelines;
- The development of Collective Investment Scheme By-Laws; and
- The development of new Shelf Registration policies and guidelines.
- The development of De-registration guidelines and
- The revision of the AML-CFT guidelines

These important initiatives, once completed, will contribute towards improvement of our operational efficiency, allow market registrants quicker

access to the capital market and further enhance investor confidence in our capital markets within the medium to long-term.

A key aspect of this push towards the improvement of operational efficiency within the Commission is our Centralized Repository and Registration System Project (CRRS). The CRRS, when fully implemented, will result in end to end automated integration of the Commission's database and work processes, one major feature of which will be the transition to electronic registration and the discontinuation of manual registration by market participants. In addition, and in the interest of improved service delivery and efficiency, CRRS will allow for automation of the receipt of registrant data to be utilized in the conduct of our Macro and Micro Prudential Reporting Framework in the not too distant future.

The Trinidad and Tobago Securities and Exchange Commission is committed to ensuring that our Market Bulletin is published every six (6) months. Let me take this opportunity to thank our registrants for their willingness to work with our staff to produce the data that has allowed the Commission to present the statistics found in this report, inclusive of the market risk review. As time progresses and market familiarity increases, we

anticipate that more accurate and comprehensive data will be received from the market, and this will allow for even more useful and relevant indicators to be utilised in this publication. We predict that in the not too distant future, the Commission will be able to provide each registrant with a personalised report that will allow for comparison of their performance against that of the industry.

Our Securities Market Bulletin will provide you, our stakeholders, with information and data to assist in your evaluation of the risks and vulnerabilities you face in the market. Our aim is to empower you to make more informed decisions with the benefit of relevant information. Against the background of the economic challenges we all face, the Commission is doing its part to engender confidence, which is the lifeblood of our financial system. It is our hope that the provision of timely and relevant information will enhance investor confidence and participation levels, which will result in greater levels of activity in the securities market and the local economy.

I would like to take this opportunity to thank the Manager of our Policy, Research and Planning Division, Dr. Earl Boodoo and his team for the hard work that they have put into the production of the Securities Market

Bulletin. My appreciation also goes out to Mrs. Arlene Stephen (Head of the Corporate Communications, Education and Information Division), Ms. Hazel Ramsingh-Persad (Director of the Corporate Services Division) and their respective teams for all of the preparation and effort that went into hosting this event.

I thank you.