



# **REVISED VOLUME REPORTS**

**A PRESENTATION BY THE POLICY, RESEARCH & PLANNING  
DEPARTMENT**

**DATE: APRIL 30<sup>th</sup>, 2024**

Trinidad and Tobago Securities and Exchange Commission



# Agenda

- **THE COMMISSION'S TRANSITION TO NEW VOLUME REPORT FORM**
- **OBLIGATIONS UNDER THE 2023 CIS BYE-LAWS**
- **THE COMMISSION'S NEW VOLUME REPORT FORM**
- **COMMON VOLUME REPORT SUBMISSION DISCREPANCIES**
- **PERSISTENCE OF ISSUES**
- **THE NEED FOR "ERROR-FREE" DATA**

# THE COMMISSION'S TRANSITION TO NEW VOLUME REPORT FORM

- The Commission has maintained the collection of data submissions on the local Collective Investment Scheme (“CIS”) Industry since 2009 under the provisions set by the Guidelines for Collective Investment Schemes (2006 and 2009).
- This previous version of the Volume Report collected monthly data on Subscriptions, Redemptions, Unitholders, Outstanding Units/Shares, Net Asset Value (“NAV”) and Total Net Assets under Management: [Volume Report Submission Form under 2009 CIS Guidelines](#).



# OBLIGATIONS UNDER THE CIS BYE-LAWS (2023)

Section 136(6) of the CIS Bye-Laws states:

*“A CIS Manager shall prepare and file with the Commission–*

*(a) a Volume Report in such form as the Commission may determine in respect of each collective investment scheme that it manages.*

*(b) The Volume Report in paragraph (a) shall be filed with the Commission within fifteen (15) days of the end of each month of operation of the collective investment scheme.”*



# THE COMMISSION'S TRANSITION TO NEW VOLUME REPORT FORM

- As part of its mandate as regulator for the Securities Sector and, by extension, the CIS Industry; the Commission revamped and subsequently launched a new Volume Report Submission form.
- The Form captures previously uncollected data on key areas of a CIS's health such as **Liquidity, Corporate Governance and Market Concentration**.
- All registrants who operated within the CIS Industry were required to utilise the new form for their September 2023 Volume Report Submissions: [2023 Volume Report Submission](#).



# Validations: Its Importance

- The Validation of the data within the Volume Report and MMRF submissions is especially important as it ensures data integrity.
- Data integrity will assist in the following ways:
  - ❖ Augmenting the TTSEC's market surveillance processes.
  - ❖ Strengthening processes for the development of early warning indicators and reducing systemic risk.

# VOLUME REPORT SUBMISSION ERRORS



Major discrepancies were found for the following indicators:

- **Total Assets Under Management**
- **Net Assets**
- **Number of Units/Shares in Issue and Outstanding**
- **Number of Unitholders**
- **Local/Foreign Activity**



# Volume Report Submission Errors

| Indicator                            | Discrepancy and Remedy  | Document Reference                       | Submission Form   |
|--------------------------------------|---|--|---|
| <b>TOTAL ASSETS UNDER MANAGEMENT</b> | The Total Assets is less than Net Assets reported in the Volume Report. | <b>Volume Report: Ref # VR025</b>        | <a href="#">Volume Report Submission: Total/Net Assets under Management Discrepancy</a> |
|                                      | <b>The Total Assets figure is always larger than the Net Assets.</b>    | <b>MMRF01 – Balance Sheet: Ref # 111</b> | <a href="#">MMRF Submission: Total/Net Assets under Management Discrepancy</a>          |





# Volume Report Submission Errors

| Indicator  | Discrepancy and Remedy   | Document Reference                             | Submission Form   |
|--|--|--|---|
| <b>NET ASSETS UNDER MANAGEMENT/SUBSCRIPTIONS/REDEMPTIONS</b> | Differences: Volume Report versus Micro and Macro Prudential Reporting Framework (“MMRF”) submissions. | <b>Volume Report: Ref # VR026</b>              | <a href="#"><u>Volume Report Submission: Net Assets Discrepancy</u></a><br><br><a href="#"><u>MMRF Submission: Net Assets Discrepancy</u></a> |
|  | <b>These figures should be similar.</b>  | <b>MMRF03 - CIS Portfolio Form: Ref # 3022</b> |   |



# Volume Report Submission Errors

| Indicator  | Discrepancy and Remedy  | Document Reference                              | Submission Form   |
|--|---|---|---|
| <b>NUMBER OF UNITS/SHARES IN ISSUE AND OUTSTANDING</b> | Differences: Volume Report versus Micro and Macro Prudential Reporting Framework (“MMRF”) submission. | <b>Volume Report: Ref # VR027</b>               | <u>Volume Report – Submission: Number of Units Discrepancy</u><br><br><u>MMRF Submission: Number of Units Discrepancy</u> |
|  | <b>There should be no difference in the figures.</b>  | <b>MMRF03 - CIS Portfolio Form: Ref. # 3023</b> |   |





# Volume Report Submission Errors

| Indicator                    | Discrepancy and Remedy   | Document Reference                | Submission Form   |
|------------------------------|--|-----------------------------------|---|
| <b>NUMBER OF UNITHOLDERS</b> | Differences: Volume Report versus Micro and Macro Prudential Reporting Framework (“MMRF”) submissions. | <b>Volume Report: Ref # VR028</b> | <u><a href="#">Volume Report – Submission: Number of Unitholders Discrepancy</a></u><br><br><u><a href="#">MMRF Submission: Number of Unitholders Discrepancy</a></u> |
|                              | <b>There should be no difference in the figures.</b>   | <b>MMRF – Cover Sheet</b>         |   |

# Validations: Indicators

Volume Report submissions are validated against the MMRF submissions to confirm that the following applies for each fund.

| MMRF  | Volume Report  |
|---|--|
| <b>FIXED &amp; FLOATING NAV FUNDS</b>   |  |
| <b>NAV per unit</b><br>(MMRF03 - CIS Portfolio Form: Ref. # 3025)                                       |  <b>Real Net Asset Value (TTD equivalent)</b><br>(Profile of Fund: Ref. # VR024)        |
| <b>Published offer price per unit (Converted to TT\$)</b><br>(MMRF03 - CIS Portfolio Form: Ref. # 3027) |  <b>Published Net Asset Value (TTD equivalent)</b><br>(Profile of Fund: Ref. # VR023) |

# PERSISTENCE OF ISSUES

- Significant errors were observed during the period, October and November 2023.
- In the subsequent submissions for various registrants (from December 2023 to March 2024), it was noted that errors were repeated.



# EXPECTED USAGE OF COLLECTED DATA

Expected usage from the data:

- a. TTSEC's Risk-Based Supervisory Framework.
- b. CIS Risk Monitoring and Prudential Oversight.
- c. Financial Stability Monitoring.
- d. Annual Stress Testing.
- e. Key Stakeholder Reporting (CBTT, MoF).
- f. Individualised Report by Registrant.





**Thank You**

