

**TRINIDAD AND TOBAGO SECURITIES AND  
EXCHANGE COMMISSION**



*Amendment to Policy Guideline 11.1*

*Mutual Funds – Distribution of Securities of*

*Foreign Mutual Funds in Trinidad and*

*Tobago*

**Effective October 11, 2007**

## RATIONALE

Foreign Collective Investment Schemes (“CIS”) are currently registered with the Commission under Policy Guideline 11.1 - Mutual Funds – Distribution of Securities of Foreign Mutual Funds in Trinidad and Tobago. This Guideline was issued in 1998 and among other things, it states that a foreign CIS will be eligible for registration in Trinidad and Tobago if:

1. It is generally reputable;
2. Its home jurisdiction has a recognised securities regulatory body with which it is
  - (i) Registered;
  - (ii) Under the obligation to file disclosure documents; and
  - (iii) Required to comply with financial reporting requirements which satisfy acceptable accounting guidelines;
3. The documents required for filing and dissemination, filing or use in Trinidad and Tobago are in English;
4. It appoints an agent who is a registered Market Actor to represent the CIS in Trinidad and Tobago.

In 2006, the Commission launched its Guidelines for [Collective Investment Schemes](#) (‘the CIS Guidelines’). A revised version of the CIS Guidelines was released in 2009. Although not law, the CIS Guidelines are intended to serve as the benchmark for the operations of the CIS Industry in Trinidad and Tobago and are highly persuasive.

One of the challenges with the Policy Guideline 11.1 was that while local CISs seeking registration with the Commission were required to comply with the requirements of the CIS Guidelines, the same was not required of Foreign CISs. As a consequence, Policy Guideline 11.1 inadvertently allowed for an “uneven playing field” as it related to the requirements for registration that foreign funds were asked to satisfy when compared with the requirements for local funds. In an effort to treat with this concern, the Commission approved amendments to Policy Guideline 11.1.

## AMENDMENTS

The amendments to Policy Guideline 11.1 are as follows:

1. Foreign CISs will be categorized as either Designated Territory Schemes or Individually Recognized Schemes. Foreign CISs that are domiciled in a “designated territory” would be considered eligible for registration based on the fact that their regulatory environments are deemed to provide investors with an equivalent or higher level of protection than that provided for under local regulatory framework.
  - a. **Designated Territory Schemes** –The Commission has identified the following jurisdictions as designated territory jurisdictions:
    - i. Australia
    - ii. Barbados
    - iii. Canada
    - iv. Guernsey
    - v. Jamaica

- vi. Isle of Man
- vii. The United States of America.

- b. **Individually Recognized Schemes** – An Individually Recognized Scheme is a foreign CIS that is domiciled outside a designated territory.
2. The amendment to the Policy Guideline 11.1 provided that Individually Recognized CISs will be required to treat with at least four of the following five areas of the CIS Guidelines in order to be considered **eligible** for registration in Trinidad and Tobago, inclusive of Fundamental Changes:
- a. Fundamental Changes;
  - b. Nomenclature;
  - c. Concentration Restriction;
  - d. Control Restriction; and
  - e. Borrowing Powers.

Where an Individually Recognized CIS was seeking registration with the Commission but it does not comply with the areas from the CIS Guideline identified above, it would be required to disclose this in an addendum to the prospectus that it used to distribute its securities in Trinidad and Tobago in order to be considered for registration by the Commission.

Apart from these changes, the content of Policy Guideline 11.1 remained intact.