

# TRINIDAD & TOBAGO SECURITIES & EXCHANGE COMMISSION



# 2011 ANNUAL REPORT

REGULATING THE SECURITIES INDUSTRY SO THAT YOU CAN  
INVEST WITH CONFIDENCE!





## OUR VISION

The Trinidad and Tobago Securities and Exchange Commission is the regulatory agency for the Securities Industry. We administer the Securities Industry Act to protect the investor, promote integrity and transparency and foster the development of the capital market through a committed and competent team of professionals.

## OUR MISSION

To be an effective regulator of the capital market in which stakeholders have confidence.





REGULATING THE SECURITIES INDUSTRY SO THAT YOU CAN  
INVEST IN CONFIDENCE

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January 31st 2012

The Honourable Winston Dookeran  
Minister of Finance  
Eric Williams Finance Building  
Independence Square  
Port of Spain

Dear Honourable Minister,

In accordance with the provisions of Section 20(1) of the Securities Industry Act 1995, I submit the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2011 together with a copy of the Annual Audited Statement of Accounts certified by our auditors.

I would be grateful if you could advise me when this report is laid in Parliament as the Act requires that copies be made available to the public after it has been so laid.

Yours faithfully,

Deborah Thomas-Felix  
CHAIRMAN

The Trinidad and Tobago Securities and Exchange Commission (the Commission) was established by the Securities Industry Act, 1995 (the Act). It is an autonomous body whose role is to provide for the regulation of the securities market in Trinidad and Tobago and for related matters.

The main functions of the Commission are outlined in Section 5 of the Act as follows:

**ADVISE** the Minister of Finance on all matters relating to the securities industry;

**MAINTAIN SURVEILLANCE** over the securities market and ensure orderly, fair and equitable dealings in securities;

**REGISTER, AUTHORIZE OR REGULATE** in accordance with the Act, self-regulatory organizations, securities companies, brokers, dealers, traders, 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 business;

**PROTECT THE INTEGRITY** of the securities market against any abuses arising from the practice of insider trading;

**CREATE AND PROMOTE** such conditions in the securities market as may seem to it necessary, advisable, or appropriate to ensure the orderly growth and development of the capital market.





DEBORAH THOMAS-FELIX, *Chairman*



DR. SHELTON NICHOLLS, *Commissioner*



MARSHA KING, *Commissioner*



RAVI RAJCOOMAR, *Commissioner*



HORACE MAHARA, *Commissioner*



UCHENNA OGBUE, *Commissioner*



DEBORAH THOMAS-FELIX, *Chairman*



## INTRODUCTION

More than three years after the near collapse of the global financial system, the world continues to grapple with after shocks such as volatility in the stock markets of Europe and the United States, downgrades in sovereign debt ratings and the growing fear of a double dip recession. Regulators worldwide are reviewing existing regulatory standards and practices to ascertain and conform to international best practices. This is a continuation of their efforts at detecting and mitigating systemic risks in the financial system.

Trinidad and Tobago has not escaped the effects of the global economic and financial turbulence. According to the Central Bank of Trinidad and Tobago (CBTT), the country's economy was estimated to have contracted by 1.4 percent in real terms in 2011.

The Trinidad and Tobago Securities and Exchange Commission (the Commission) is committed to restoring investor confidence in the local financial system and indeed efforts have been intensified at the Commission to deal effectively with systemic disruptions. To this end, the Commission has been engaged in litigation and enforcement proceedings to prevent the unauthorized distribution of financial products by financial advisers. We have also increased our efforts in the area of investor education and financial literacy.

## INTERNATIONAL STANDARDS/CONVENTION

The Commission has continued its quest in this fiscal year for an enhanced legislative framework, to facilitate a stronger enforcement and regulatory regime which accords with international standards.

On December 14, 2009 the Commission submitted an application to the International Organisation of Securities Commission ("IOSCO") to become a signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU) and the Commission was granted Appendix "B" signatory status.

The IOSCO MMoU is an initiative which is designed to enhance the sharing of information between securities regulators. The MMoU provides mechanisms through

which securities regulators can share essential investigative material, such as beneficial ownership details, and securities and derivative transaction records, including bank and brokerage records. It also sets out specific requirements for the acquisition and exchange of information, ensuring that rules such as domestic banking secrecy or restrictive regulations do not prevent the exchange of information amongst securities regulators. In essence, the MMoU is the stated international standard for the exchange of information in effective enforcement regimes globally.

The Securities Bill which has been tabled in the Parliament lapsed again on June 17, 2011; this has afforded the opportunity for the staff at the Commission to conduct a comprehensive review of the Bill and to retain the consulting firm Stikeman Elliott of Canada to make the necessary changes. The Commission now has a Revised Draft Bill which conforms to the IOSCO requirements and meets with international standards. Indeed, Trinidad and Tobago is better poised to become a signatory to the IOSCO MMoU "A" list of compliant countries.

A successful application by Trinidad and Tobago to be an "A" list signatory to the IOSCO MMoU, will enable the country to benefit from the information exchange with other "A" signatories, particularly information related to the investigation of offences such as market manipulation and insider trading. This will enhance the country's appeal to regional and international investors.

## CROSS BORDER RELATIONSHIPS

### Common Takeover Code and Choice of Law Rules

The Caribbean Group of Securities Regulators (CGSR), of which the Commission is a member, held meetings in January and June of 2011 to work on the Common Takeover Code for Mergers and Acquisitions and the Choice of Law Rules. Final drafts of the Code and the Rules were approved by the Group. It is my hope that they will be adopted by Governments across the region to ensure a unified approach to Mergers and Acquisitions by regional regulators as we strive to strengthen our enforcement regime and cross border relationships.

## Caribbean Exchanges Network (CXN)

This market integration initiative is a product of the Regional Stock Exchanges and Central Depositories. CXN can best be described as a strategic alliance between the Exchanges/ Depositories. It permits any eligible broker, who is established and conducts business in a Caribbean territory, to access the trading network of the respective Exchanges/Depositories for the purpose of trading in securities on behalf of any resident of the broker's home territory.

The CXN market integration is considered a pioneer initiative. The member states currently involved in the CXN are Barbados, Jamaica and Trinidad and Tobago. The Commission held meetings and discussions with fellow regulators from Barbados and Jamaica and with representatives from the respective Stock Exchanges, to discuss the feasibility of a common regional platform for broker dealers and the requisite systems to have CXN operational within the year in review. As a consequence, a CXN Memorandum of Understanding (MOU) was signed on the 20th of June 2011 between the Exchanges and Central Depositories of Barbados, Jamaica and Trinidad and Tobago. We at the Commission are fully supportive of this effort and we welcome similar initiatives in Trinidad & Tobago and across the region.

## GUIDELINES

The Staff of the Commission, after consultation with the market has begun to amend its Guidelines on Repurchase Agreements (REPOs) which is expected to be approved and implemented in the next fiscal year. In keeping with international best practice, the existing Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) guidelines were also revisited and amendments have been made in the year in review.

## CHANGES TO THE BOARD OF COMMISSIONERS

### Reappointments

- Commissioner Dr. Shelton Nicholls
- Commissioner Marsha King

### New Appointments

- Commissioner Ravi Rajcoomar
- Commissioner Horace Mahara
- Commissioner Uchenna Ogbue

## REFLECTION

I am happy to report that during this fiscal year the Commission has increased its avenues for providing Investor Education programmes as it strives to educate the public on how to make sound, prudent investment decisions and how

to recognize and avoid the pitfalls in the market. We intend to expand our educational outreach efforts in the coming year as Investor Education takes more strategic prominence in the work of the Commission.

The challenge which the Commission faces, as indeed the challenge of all regulators, is to remain one step ahead of the market as new complex products continue to appear.

The Commission has been educating its staff and utilizing some of its resources in areas such as the identification and evaluation of risks, enforcement and market manipulation.

This is no easy task since the Commission's resources are limited and the structure of new financial products in the market is becoming increasingly complex. The time has come for us to consider new methodologies and mechanisms for risk identification, evaluation and management as we regulate this fast changing market.

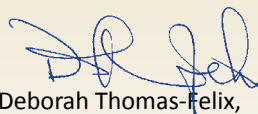
It is important that the transparency and integrity of the capital market be maintained at all times and we each have a role to play in this regard.

I do expect that industry participants will continue to contribute to restoring investor confidence by committing themselves to adopting policies of good governance, compliance and risk management and that they provide adequate resources to implement risk management policies at their organizations.

## ACKNOWLEDGEMENT

The Management and Staff of the Commission have continued to be supportive and committed to the development of the Organization. On behalf of the Board of Commissioners, I wish to thank them for their unwavering support over the past year. As we continue our efforts in the development and monitoring of the capital market and in the restoration of investor confidence, I ask that we bear in mind that we are not alone in this effort.

The global financial crisis has taught us that while the efforts of regulators of each sovereign state are important, more and more there is an increased interdependence among regulators. Now more than ever, there is a need for cooperation and the forging of strong links between regulators which will ultimately redound to the continuous exchange of information, the assessment of products and a global integrated approach to securities regulation.

  
Deborah Thomas-Felix,  
CHAIRMAN



*The advanced economies were at the centre of the global economic and financial crisis. During the fiscal year, these countries continued to experience low growth rates and high unemployment.*

## DEVELOPMENTS IN THE INTERNATIONAL MARKET

### Economic Performance

As the fiscal year October 1st 2010 to September 30th 2011 began, the international economic landscape showed signs of recovery from the global financial crisis. Within the second quarter of the year however, the global economy slowed and experienced major turmoil. The year saw downgrades in sovereign ratings, bailouts by the International Monetary Fund (IMF), austerity budgets implemented, a loss of confidence by consumers, businesses, and investors and the increasing possibility of a double-dip recession in the United States of America.

In March 2011, Japan was hit by an earthquake and tsunami that resulted in major damage to the country, both physically and financially, which had a deleterious effect on economies worldwide as vital supply chains and global manufacturing were disrupted. Political turmoil in the Middle East, the Arab Spring, led to an increase in oil prices which further exacerbated global economic conditions.

In September 2011, the IMF declared that the global economy had entered a “dangerous new phase” of lower economic growth rates<sup>1</sup>. Based on the sluggish performance worldwide, the IMF revised their forecast for global growth in 2012 from 5 percent to 4 percent. The revised forecast for the calendar year 2011 was that growth would average 6.4 percent for emerging and developing markets and by contrast 1.5 percent for advanced economies.

### ADVANCED ECONOMIES

The advanced economies were at the centre of the global economic and financial crisis. During the fiscal year, these countries continued to experience low growth rates and high unemployment.

The euro zone grew to seventeen (17) members in January 2011 with the admittance of Estonia. Several countries had received bailout packages from the IMF and the European Union (EU) during the period under review: the Republic of Ireland in November 2010, Portugal in May 2011 and Greece in July 2011. The crisis in Greece, a country which had received an initial bailout package in May 2010, had the biggest impact on the euro zone and negatively impacted the global financial markets. In addition to these bailouts, credit rating agencies downgraded the sovereign debt of several countries within the euro zone including Italy,

<sup>1</sup> IMF World Economic Outlook, September 2011.

Greece, Spain, the Republic of Ireland, Portugal and Cyprus. As a result of these downgrades, credit spreads on sovereign debt widened.

In the US, similar circumstances prevailed. On August 5th 2011, US debt was downgraded from AAA to AA+ by Standard & Poor's (S&P). S&P attributed this downgrade to political rather than economic risks. The country had only narrowly averted a default of their existing debt prior to this downgrade as the US Congress could not initially agree on raising the existing debt ceiling. This indecision negatively impacted the US financial markets. The IMF forecasted economic growth for 2011 at 1.5 percent. At close of the fiscal year, growth slowed to 1 percent and unemployment stood at 9.1 percent.

## EMERGING AND DEVELOPING ECONOMIES

As the developed economies experienced a tumultuous year, the emerging economies were at the forefront of the, albeit tenuous, global recovery. The IMF estimated that activity in the Asian region over the calendar period 2010 was 8.2 percent. China was the region's leader in this regard, experiencing an above average growth rate of approximately 9 percent. Capital flows to Asia were considerable as investors searched for higher investment yields.

As commodity prices increased worldwide, the activity of the Latin American commodity exporters increased, resulting in an overall economic expansion in the first 6 months of 2011. However, Latin American economies with strong trading links to advanced economies experienced lower economic activity on account of lowered demand for good and services from the advanced economies.

## Global Stock Market Performance

In the wake of the global economic turmoil, the stock markets remained volatile on account of the debt crisis within the euro zone, the effects of the Japanese tsunami, the downgrades in sovereign debt and rallied on the pronouncements of bailout packages.

In the twelve (12) months to September 2011, the following stock market indices in emerging economies experienced the greatest declines: Brazil's Ibovespa (25.49 percent), India's Bombay Stock Exchange (BSE) Sensex (19.52 percent) and China's Shanghai Stock Exchange (SSE) (13.86 percent). However, this downward trend was also experienced in the developed markets: the German DAX (11.42 percent), the

London FTSE 100 (8.30 percent) and the Japanese Nikkei (7.49 percent). The Dow Jones Industrial Average (DJIA) increased by 0.77 percent.

For the first three quarters of the review period, stock markets in developed economies posted gains as the DJIA was up by 14.6 percent, the DAX increased by 18.75 percent, the Nikkei by 4.38 percent and the FTSE by 6.31 percent. Thereafter, these markets experienced declines as news of the continued debt crisis in Greece affected investor sentiments.

## REGIONAL MARKETS

### JAMAICA STOCK MARKET

The Jamaican stock market improved significantly over the fiscal year with the Jamaican Stock Exchange (JSE) Market Index advancing by 10.28 percent in the twelve (12) months to September 2011. The market's performance compared favourably to the previous fiscal year when the JSE Market Index increased by 4.61 percent.

The performance of the Jamaican stock market occurred within the context of modest economic recovery and significant improvement in market sentiment in the wake of the Jamaica Debt Exchange (JDX) Programme and the approval of the International Monetary Fund (IMF) US\$1.27 billion Stand-By Arrangement (SBA)<sup>2</sup>. The JDX Programme involved the voluntary exchange of existing Government of Jamaica (GOJ) bond issues for instruments of longer maturities and lower interest rates. Both measures formed the basis of the GOJ's post-crisis fiscal and structural reforms to address the country's escalating national debt. The JDX programme, in particular, obtained a 99 percent participation rate from the market and was instrumental in restoring investor confidence in the ability of the GOJ to manage its debt-servicing and financing needs. Evidence of its success was manifested in low and stable market interest rates and an appreciation of the Jamaican exchange rate.

*(continued)*

2 The IMF approved a 27-month SBA in an amount of US\$1.27 billion on February 4, 2010 to support the country's economic reforms and make it less vulnerable to external shocks. The pillars of the program include: (i) fiscal consolidation and institutional reform; (ii) public debt restructuring of the Jamaica Debt Exchange (JDX) Programme; and (iii) financial sector reform, including to improve consolidated supervision and the regulation of non-banks.

# 5 SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

(continued)

As a consequence, the relative stability seen in Jamaica's currency and debt markets provided a favourable backdrop to the performance of equities during the fiscal year.

The stock market was relatively stable in the first half of the fiscal year and experienced a modest 4.03 percent gain over the first two (2) quarters ending March 31, 2011. During this period the economy contracted by 0.6 percent in the first quarter, its 13th consecutive quarterly decline. The effect of the continued downturn was also reflected in the weak earnings of several listed companies on the JSE.

Following this sluggish performance the stock market gained momentum in the last two (2) quarters of the review period advancing by 6.01 percent. During this period the market

experienced a sharp run up in price from April 6 to April 20, 2011 when the JSE Market Index gained 4.27 percent. This occurred amidst heightened investor interest in several listed companies stemming from merger and acquisition activity: Jamaica Money Market Broker's take-over of Capital & Credit Financial Group and Black Sand Acquisition Incorporation's proposed take-over bid to acquire Lascelles DeMercado & Co.

The performance of individual stocks on the JSE during the fiscal year attests to the bullish trend in the stock market: out of the thirty seven (37) listed stocks which traded, twenty-two (22) advanced, fourteen (14) declined and one (1) traded firm.

FIGURE 1:

## JSE MARKET INDEX October 1, 2010 – September 30, 2011

### Jamaica Stock Exchange

Time Range 2010-Oct-01 - 2011-Sep-30 (Daily)





TABLE 1:

**TOP 5 ADVANCING STOCKS**  
 October 2010 – September 2011

Security	Opening Price (J\$)	Closing Price (J\$)	Change (%)
Jamaica Money Market Brokers	4.00	9.40	135.00
Pan Caribbean Financial Services	16.06	26.15	62.83
National Commercial Bank of Jamaica Ltd	17.51	27.29	55.85
Barita Investments Limited	2.00	3.00	50.00
Sagicor Life Jamaica Limited	6.66	9.70	45.65

TABLE 2:

**TOP 5 DECLINING STOCKS**  
 October 2010 – September 2011

Security	Opening Price (J\$)	Closing Price (J\$)	Change (%)
Trinidad Cement Limited	53.00	18.31	(65.45)
Pulse Investments	3.10	1.40	(54.84)
Caribbean Cement Company Limited	3.99	1.89	(52.63)
Palace Amusement Company Limited	52.00	35.81	(31.13)
Montego Freeport Limited	1.76	1.30	(26.14)

Tables 1 & 2 depict the top five (5) advancing and declining stocks for the fiscal year.

## MARKET DEVELOPMENTS

### Mergers & Acquisitions

#### ***NCB Capital Markets Limited's acquisition of minority stake in Jamaica Money Market Brokers Limited (JMMB)***

On August 5, 2011 NCB Capital Markets Limited (NCBCM), a wholly owned subsidiary of National Commercial Bank Jamaica Limited (NCBJ) acquired 428,777,325 shares in JMMB. This acquisition represented a 29 percent interest in the shareholding of JMMB.

#### ***Jamaica Money Market Brokers Limited (JMMB) and Capital & Credit Financial Group Limited (CCFG)***

On August 10, 2011 JMMB and CCFG issued a joint statement to shareholders and the public indicating that both parties engaged in discussions regarding JMMB's interest in making an offer to acquire up to 100% of

the issued share capital of CCFG at a price of J\$4.55 per share. The offer would be payable partly in cash and partly by way of an issue of new ordinary shares in JMMB to the shareholders of CCFG upon the approval of JMMB shareholders.

The joint statement also revealed that JMMB would gain control of Capital & Credit Merchant Bank Limited (CCMB), a subsidiary of CCFG. The proposed takeover was subject to approvals from the regulatory bodies in Jamaica, including the Bank of Jamaica and the Financial Services Commission (FSC) and Trinidad & Tobago. The completed application was expected to be submitted to the Bank of Jamaica by the end of September 2011.

#### ***Black Sand Acquisition Inc proposed takeover of Lascelles deMercado & Co. Limited***

On July 28, 2011 Black Sand Acquisition Inc. (Black Sand), announced its intention to make a take-over bid to

acquire Lascelles deMercado & Co. Limited (Lascelles). Black Sand is a special purpose vehicle formed as an international business company and incorporated in St. Lucia. The takeover bid involved a cash offer to purchase no less than 90 percent (US\$3.86 per share) of the ordinary shares, 100 percent of the 6 percent cumulative preference shares (US\$0.29 per share) and a hundred 100 percent of the 15 percent cumulative preference shares of Lascelles (US\$0.23 per share). The closing date of the Offer was extended from September 26, 2011 to December 31, 2011 in order to facilitate legal proceedings at the Jamaican Supreme Court. These proceedings which were initiated by Lascelles challenged the decision by the Financial Services Commission (FSC) to approve the Offer.



# 5 SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

(continued)

## DELISTINGS

### **Capital & Credit Merchant Bank Limited (CCMB) - Delisting of preference shares**

CCMB redeemed its preference shares from the JSE on April 13, 2011 and were subsequently delisted on April 14, 2011. At the time of the delisting CCMB had approximately 42.7 million shares listed on the JSE.

## INSTITUTIONAL DEVELOPMENT

### **Launch of JSE US Dollar Denomination Equities Market**

On July 5, 2011 the JSE launched its newest market, the US Denominated Equities Market which allowed companies to list their shares in US dollars and facilitated trading and settlement in US dollars. Proven Investments Limited

became the first company to list on the US Denominated Market on July 15 2011.

## BARBADOS STOCK MARKET

The Barbados stock market experienced a mild recovery with the Barbados Stock Exchange (BSE) Composite Index posting a gain of 2.47 percent in the twelve (12) months to September 2011. The market had not experienced gains since the pre-crisis period of fiscal 2008 when the market was up by 5.6 percent. The performance of the stock market during the period was marked by volatility in the first two (2) quarters. The market began the first quarter on a downward trend which resulted in BSE Composite Index experiencing a loss of 5.66 percent. This downward trend extended into the beginning of the second quarter

FIGURE 2:

**BARBADOS COMPOSITE INDEX**  
October 1, 2010 – September 30, 2011

### Barbados Stock Exchange

Time Range 2010-Oct-01 - 2011-Sep-30 (Daily)



TABLE 3:

**TOP 5 ADVANCING STOCKS**  
 October 2010 – September 2011

Security	Opening Price (Bds\$)	Closing Price (Bds\$)	Change (%)
Light and Power Holdings Ltd	11.75	25.70	118.72
BICO Limited	1.50	1.86	24.00
FirstCaribbean International Bank	3.00	3.13	4.33
Cave Shepherd and Co. Ltd	4.48	4.60	2.68
Goddard Enterprises Ltd	5.89	6.00	1.87

TABLE 4:

**TOP 5 DECLINING STOCKS**  
 October 2010 – September 2011

Security	Opening Price (Bds\$)	Closing Price (Bds\$)	Change (%)
Barbados Farms Limited	2.45	1.50	(38.78)
Jamaica Money Market Brokers Limited	0.15	0.10	(33.33)
ANSA McAl (Barbados) Ltd	14.8	11.75	(20.61)
Trinidad Cement Ltd	1.00	0.80	(20.00)
Almond Resorts Inc	1.55	1.25	(19.35)

but was arrested on January 31st, 2011 when the market surged by 8.34 percent to reverse its earlier losses. This rally proved short lived as the market stabilized thereafter with the BSE Index posting an increase of 1.47 percent over the remainder of the fiscal year. The stock market's performance over the fiscal year occurred in the context of an improvement in the Barbados economy which was projected to grow by 2 percent<sup>3</sup> in 2011 on the basis of a recovery in the tourism sector.

Tables 3 & 4 depict the top five (5) advancing and declining stocks for the fiscal year.

## MARKET DEVELOPMENTS

### Mergers & Acquisitions

#### *International Finance Corporation (IFC) acquisition of a minority stake in Sagicor Financial Corporation (SFC)*

On April 05, 2011 SFC and IFC, a member of the World Bank Group, signed an agreement that would result in the IFC investing up to US\$100 million in SFC. The investment consisted of up to US\$20 million in common shares or approximately 4 percent stake in SFC and up to US\$80 million in convertible and redeemable preference shares. This investment by IFC was its largest in the insurance sector, and its largest investment to date in a single Caribbean entity. The investment was subject to regulatory and shareholder approval.

The shareholders (Barbados and Trinidad and Tobago) were given the opportunity to purchase new common and preference shares via a Rights Issue. The Rights Issue comprised 12,269,938 common shares at US\$1.63 or Bds\$3.26 per common share and 120,000,000 convertible redeemable preference shares at US\$1.00 or Bds\$2.00 per convertible redeemable preference share. The Rights Issue opened on June 15 and ended on July 05, 2011.

3 According to estimates released by the Central Bank of Barbados.

# 5 SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

(continued)

## TRINIDAD AND TOBAGO SECURITIES MARKET DEVELOPMENTS

### TRINIDAD AND TOBAGO STOCK MARKET

The Trinidad & Tobago stock market reflected positive growth trends during the fiscal year. In the twelve (12) months to September 2011, the Trinidad & Tobago Stock Exchange (TTSE) Composite Index posted gains as it rose by 20.4 percent to end the year at 989.30 (see *Figure 3*); reflecting increases in equity prices. The majority of up-ticks in stock market activity occurred in the third quarter when the Index rose by 8.39 percent (see *Table 5*). Over the fiscal period, there were increases across most sectors of the Index, with the most notable increases occurring in the Non-Banking & Finance (33.02%), Trading (28.29%), Manufacturing I (20.64%) and Banking (20.26%) sub-sectors.

TABLE 5: PERCENT CHANGE IN THE COMPOSITE INDEX BY QUARTER DURING THE FISCAL YEAR 2010/2011

Quarterly	Opening Value	Closing Value	Percentage change (%)
1	821.65	835.64	1.70%
2	835.64	872.07	4.36%
3	876.53	950.09	8.39%
4	950.09	989.30	4.13%

FIGURE 3:

### TTSE COMPOSITE INDEX October 1, 2010 – September 30, 2011

#### Trinidad and Tobago Stock Exchange

Time Range 2010-Oct-01 - 2011-Sep-30 (Daily)



The Property and Manufacturing II sub-sectors declined 21.39 percent and 17.11 percent, respectively.

In keeping with the bullish trend in equity prices, the level of market capitalization on the Exchange rose by 21.96 percent (TT\$16.61 billion) during the fiscal period to close at TT\$92.26 billion (see *Figure 4*). This increase in market capitalization indicates a general rise in equity prices over the period. Notably, market capitalization had returned to levels that were experienced in 2007 and 2008, that is, before the effects of the international financial and economic crisis were felt in the local economy.

Despite a relatively subdued economic climate, it appeared that investors' optimism in the stock market had returned, as the number of equity transactions on the Exchange rose by 20.2 percent. The volume of shares that crossed the Exchange stood at 23.56 million at the end of the review period. The prevailing low interest rate environment, attractive dividend yields and market appreciation may have contributed to investors' return to the market. There were no new listings on the TTSE during the period under review.

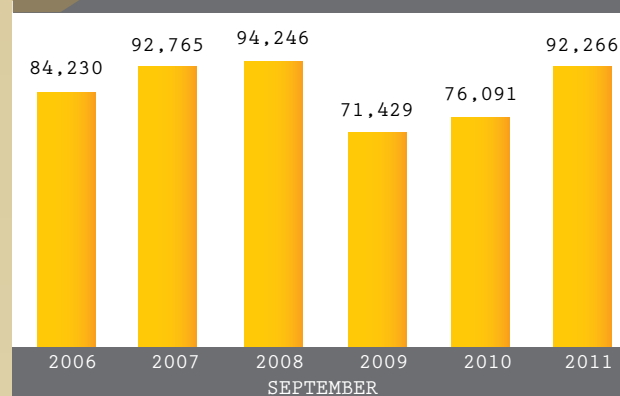
Advances outpaced declines in the twelve (12) months to September 2011 as nineteen (19) of the ordinary shares listed on the Exchange posted gains whilst the remaining twelve (12) experienced declines in their values. *Table 6* and *7* list the top five (5) advances and top five (5) declines for the period, respectively.

## INSTITUTIONAL DEVELOPMENT

### Launch of TTSE US Dollar Securities Market

Investors' avenues for investment in the equity market were widened when the TTSE launched its US Dollar Securities Market on August 26th, 2011. This market gave investors the option to invest in US Dollar denominated securities on the local Exchange. In keeping with the Securities Industry Act of 1995 ("SIA"), only those US Dollar securities that have been registered with

FIGURE 4:  
TTSE MARKET  
CAPITALIZATION (TT\$M)  
2006 - 2011



the Commission would be eligible for listing and trading on the platform. The listing of 120 million convertible redeemable preference shares issued by SFC was the first US Dollar security to open the market.

TABLE 6:  
TOP 5 ADVANCING STOCKS  
October 2010 – September 2011

Gainers	Opening Price	Closing Price	Change (%)
Jamaica Money Market Brokers	0.29	0.70	141.38
Prestige Holdings Limited	3.50	6.79	94.00
National Enterprises Limited	9.50	15.99	68.32
Unilever Caribbean Limited	21.00	31.00	47.62
Angostura Holdings Limited	6.21	8.74	40.74

TABLE 7:  
TOP 5 DECLINING STOCKS  
October 2010 – September 2011

Losers	Opening Price	Closing Price	Change (%)
One Caribbean Media Limited	17.50	12.00	(31.43)
Trinidad Cement Limited	3.05	2.17	(28.85)
Point Lisas Industrial Port Development Corporation Limited	5.75	4.52	(21.39)
Williams LJ \$0.10 A	0.54	0.46	(14.81)
Williams LJ B	1.11	0.99	(10.00)

# 5 SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

(continued)

## SECONDARY BOND MARKET

### Government Bonds

Trading activity on the secondary bond market was dominated by trades in government bonds over the period. There were seventy-four (74) trades in government bonds crossing the floor at a value of TT\$241.44 million. Total trading volumes in the twelve (12) months to September 2011 was 224,552. Trading activity over the fiscal period was considerably low when compared to the corresponding period in 2009/2010 (see *Table 8*).

### Corporate Bonds

Secondary trading of corporate bonds was minimal during the period with one (1) transaction being recorded in the first quarter of the review period. This trade took place in Scotiabank of Trinidad & Tobago's (SBTT) \$500 million 2014 fixed rate bond and was valued at TT\$6.6 million.

## MUTUAL FUNDS

Mutual Funds remained a popular investment vehicle for investors over the fiscal period despite the relatively low returns due in part to the declining yields on investment securities that constitute these funds. This was evidenced by the increase in sales by 17.54 percent. Funds under management rose by TT\$7.4 billion during the twelve (12) months to September 2011 to close the period at TT\$40.96 billion (see *Figure 5*). For the period under review, this represented a 22.2 percent increase in funds under management. The mutual fund companies that dominated the industry with respect to funds under management at the end of the period under review are presented in *Table 9*<sup>4</sup>. ■

TABLE 8: TRADING ACTIVITY ON THE SECONDARY BOND MARKET

	Fiscal Year 2010/2011	Fiscal Year 2009/2010
No. of Transactions	74	121
Trading Volume	224,552	1,981,215
Value of Trades	241,446,664.60	2,094,108,170

FIGURE 5: MUTUAL FUNDS (TT\$M) – FUNDS UNDER MANAGEMENT 2006 - 2011

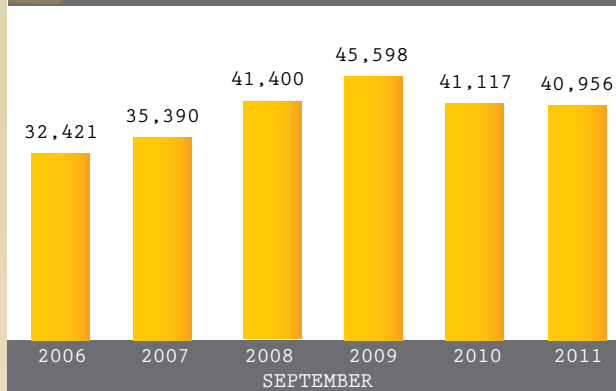


TABLE 9: TOP 5 PERFORMING MUTUAL FUNDS FOR FUNDS UNDER MANAGEMENT as at September 2011

Mutual Fund	Percentage share of market for funds under management (%)
Unit Trust Corporation	44.87
RBTT Trust and Asset Management	16.60
Republic Bank Limited	15.21
First Citizens Limited	11.70
Scotia Investments Jamaica Limited	3.59

<sup>4</sup> The figures included are based on data that was provided by Mutual Funds and are provisional in nature.





Standing, Left to Right:

ARLENE STEPHEN, *Senior Communications Manager*

RONALD PHILLIP, *Director Policy Research & Planning*

MARIANNE WILSON, *Director Market Regulation & Surveillance*

CHANDRADATH MAHARAJ, *Director Disclosure Registration & Corporate Finance*

HAZEL RAMSINGH-PERSAD, *Director Corporate Services*

FRANCISCA AMBROSE-GRANT, *Human Resource Manager*

LYSTRA LUCILLIO, *Director Information Management*

Sitting:

NORTON JACK, *General Counsel/Deputy General Manager (Acting)*





## REGISTRATION OF MARKET ACTORS AND SECURITIES

As at September 30th, 2011 there were 208 market actors and reporting issuers registered with the Commission when compared to 205 in the previous year. There were changes in three (3) of the six (6) categories of market actors, (see *table 10*). The number of Brokers and Securities Companies increased by four (4) and three (3) respectively while the number of Investment Advisors decreased by three (3). The number of Reporting Issuers decreased by one (1) as a result of the de-registration of Angostura (Barbados) Limited.

**TABLE 10: MARKET ACTORS AND REPORTING ISSUERS REGISTERED WITH THE COMMISSION**  
October 2010 – September 2011

Class of Registration	As at Sept 30, 2011	As at Sept 30, 2010
<b>MARKET ACTORS</b>		
Brokers	33	29
Investment Advisors	19	22
Securities Companies	36	33
Self Regulatory Organizations	2	2
Traders	22	22
Underwriters	2	2
<b>Total Market Actors</b>	<b>114</b>	<b>110</b>
Reporting Issuers	94	95
<b>Total Registrants</b>	<b>208</b>	<b>205</b>

## REGISTRATION OF SECURITIES

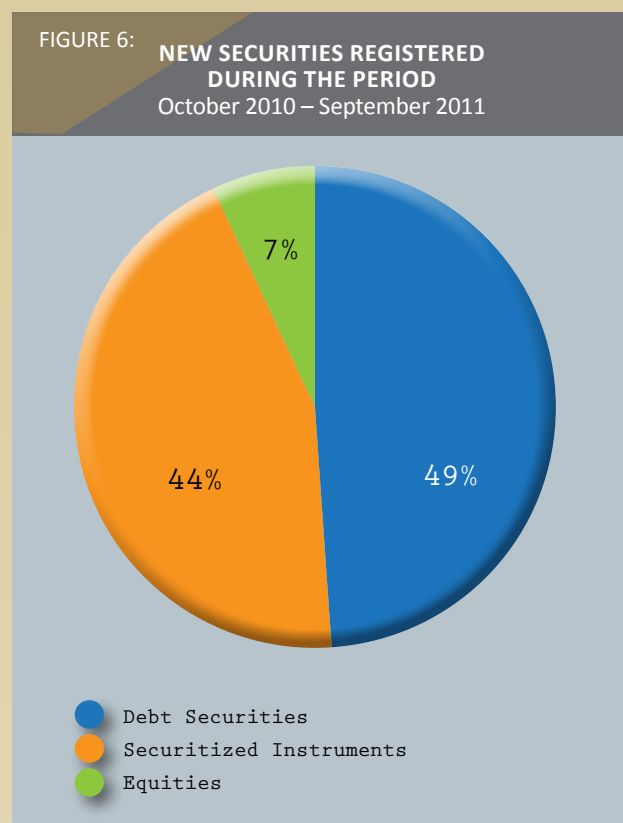
The Commission registered a total of thirty-three (33) securities – the same number of securities registered in the previous fiscal year. There were no new registrations of collective investment schemes during the year. While the registration of new collective investment schemes has been on a general decline in the last two (2) years, this was the first time since 2002 that the Commission did not receive applications for the registration of these instruments. The total value of securities registered was an estimated TT\$11,953.67 million up from TT\$10,543.2 million in the previous fiscal year (see *table 11*).

**TABLE 11: SECURITIES REGISTERED BY THE COMMISSION**  
October 2010 – September 2011

Classes of Securities	2011-2010	Value of Securities TT\$M	2009-2010	Value of Securities TT\$M
Debt Securities	11	\$4,342.74	15	8,981.90
Securitized Instruments	11	\$6,576.76	3	791.6
Equity Issues	10	\$1,034.17	8	769.7
Mutual Funds	0	–	7	–
Other	1 <sup>5</sup>	–	–	–
<b>Total</b>	<b>33</b>	<b>\$11,953.67</b>	<b>33</b>	<b>10,543.2</b>

<sup>5</sup> These were 12,269,938 Rights to acquire common shares of SFC.

Figure 6 provides a break down by financial instruments, of the total value of securities registered.



#### Debt Securities

The number and value of debt securities registered declined from the previous year. Eleven (11) debt securities with an aggregate face value of TT\$4,342.74 million were registered with the Commission as compared to the fifteen (15) valued at TT\$8,981.9 million in the prior period. All debt securities issued were fixed rate bonds, four (4) of which were US-dollar denominated. The US dollar bonds had a combined face value of US\$138 million (TT\$886.84 million)<sup>6</sup> representing 20 percent of the face value of debt securities registered with the Commission. The remaining seven (7) securities were denominated in local currency at a value of TT\$3,455.9 million, and represented 80 percent of the face value of debt securities registered.

#### Securitized Instruments

The registration of new securitized instruments rebounded after having been in decline for two (2) consecutive fiscal years, with eleven (11) issues being registered valued at TT\$6,576.76 million. This is an increase of eight (8) issues from the previous fiscal year where three (3) issues valued at TT\$795.83 million were registered. These securities

consisted of certificates of participation based on fixed rate bonds, treasury notes and a finance lease. All but two (2) of the securitized instruments were denominated in local currency, valued at TT\$5,733.23 million, the exceptions being two (2) US dollar denominated fixed rate bonds that were securitized by Citibank (Trinidad and Tobago) Limited and Citicorp Merchant Bank Limited. These two (2) securitized instruments were valued at TT\$843.53 million.

#### Equities

New equity securities registered by the Commission during this fiscal year consisted of ten (10) issues representing 145,314,956 shares with an aggregate value of approximately TT\$1,034.67 million. This is a significant increase in both the number and value of equity offerings relative to the previous fiscal year when 60.2 million shares were registered with an estimated value of TT\$769.7 million. The equity securities in the financial period were distributed pursuant to stock compensation plans (8) and other issues (2) (see table 12).

**TABLE 12: EQUITY SECURITIES REGISTERED WITH THE COMMISSION**  
October 2010 – September 2011

Equity Issues	No of Issues	No. of Shares	Value of Shares TT\$M
ESOP/DSOP	8	775,080	\$6.450
Other	2	144,539,876	\$1,028.224
<b>Total</b>	<b>10</b>	<b>145,314,956</b>	<b>\$1,034.674</b>

Of the eight (8) Employee Stock Compensation Plans (ESOPs) and Directors Stock Option Plans (DSOPs) registered, six (6) were registered pursuant to ESOPs and were valued at TT\$5.661 million. Five (5) of these six (6) ESOPs were issued by three (3) local organizations - Agostini's Limited, ANSA Merchant Bank Limited and Neal and Massy Holdings Limited. The one (1) remaining ESOP as well as the two (2) DSOPs were issued by GraceKennedy Limited of Jamaica. A total of 386,081 shares with a value of TT\$0.788 million were issued pursuant to two DSOPs.

<sup>6</sup> An exchange rate of USD1 = TT\$6.4264 was used to convert the face value of the US dollar bonds. This exchange rate is a weighted average of the exchange rate over the month of September 2011 and was obtained from the CBT's website.



Sagcor Financial Corporation (SFC) issued an estimated 144.54 million shares valued at TT\$1,028.22 million during the reporting period. Convertible redeemable preference shares accounted for 83 percent of the 144.54 million shares registered while the remaining 17 percent were registered as common shares pursuant to a rights issue and an agreement with the IFC.

### MONITORING MARKET DEVELOPMENT AND BEHAVIOUR

The fiscal year under review was an eventful year that showed an overall increase in the monitoring of trades, complaints, investigations and breaches of the SIA. In June 2011 the TTSE changed its trading system, from the Horizon trading platform to Trayport Global Vision (GV), which resulted in additional challenges to the monitoring of trades.

### INVESTIGATIONS AND INVESTOR COMPLAINTS

Investigations continued for 2011 with an additional case being added and court action being undertaken in previous matters. Fifteen (15) new investor complaints were received spanning a range of financial issues such as:

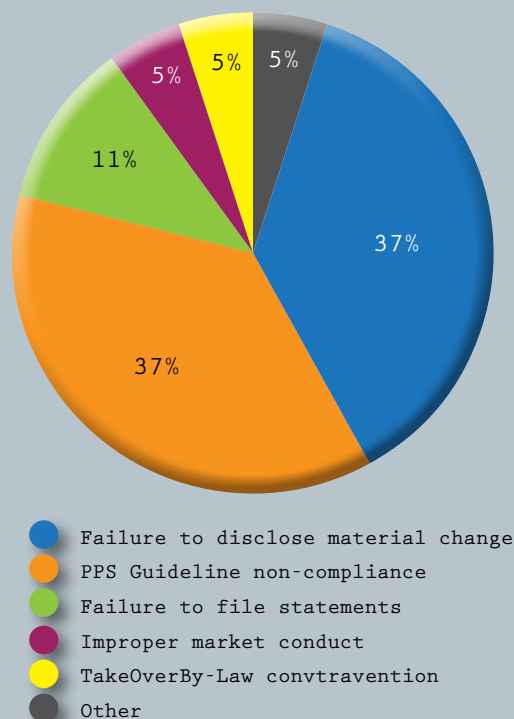
- Reporting issuers operating without a Board of Directors;
- Alleged skimming of surplus mutual funds;
- Failure to disclose material information by reporting issuers;
- Fraud and ponzi schemes;
- Improper market conduct;
- Charging of excessive fees by asset managers; and
- Companies/persons continued solicitation of funds or business in spite of the Commission's instructions to cease operations until issues are resolved.

Of the total number of investor complaints, five (5) were closed, three (3) were referred for enforcement action and seven (7) are ongoing.

### MARKET BREACHES

Market breaches numbered nineteen (19), with twelve (12) being committed in the latter half of the year. *Figure 7* illustrates the nature of the breaches committed. The majority of the breaches constituted failure to disclose material changes along with the failure to comply with the Promotion and Presentation Standards (PPS) guidelines. In response to these breaches, the PPS guidelines have been redrafted to include additional areas of guidance on electronic and social media communications. The revised guidelines will be presented to the Board for review in the next fiscal year.

FIGURE 7: MARKET BREACHES COMMITTED DURING THE FISCAL PERIOD  
October 2010 – September 2011



## MARKET PROTECTION

Breaches in market practice highlight the need for consumers to be ever vigilant in safeguarding their interests. In an effort to protect the integrity of the market and respond to increasing changes in product offerings, intensive process mapping initiatives and training have been undertaken during the fiscal year, to improve our response time to complaints lodged and our expertise in detecting market breaches at an earlier stage.

## SKILLS DEVELOPMENT

The Staff was exposed to skills development sessions in the areas of market oversight and development, understanding new financial products and the regulatory implications of those products, credit risk and the regulation of advertisements. Other programmes included the International Organization of Securities Commission (IOSCO) Executive Committee Task Force on Strategic Direction, the Common Take Over Code with CARTAC, and the Caribbean Exchange Network (CXN) Agreement which was developed to ease the burden of administrative functions when trading within Barbados and Jamaica and vice versa.

## SPECIAL ASSIGNMENTS

For the fiscal year, the division undertook six (6) special assignments which included:-

- The request for information on securities in issue for the Trinidad & Tobago Unit Trust Corporation (TTUTC);
- Consultative reports on the principles for Financial Market Infrastructures;
- The provision of Trinidad & Tobago's perspective on the application and implementation of the Memorandum of Understanding (MoU) on the Caribbean Group of Securities Regulators (CGSR);
- The review of First Citizens Bank's (FCB) Mutual Fund and Advertising concept and Advertorial;
- The review and redraft of the PPS guidelines and;
- The review of divisional operations with an aim to developing a more comprehensive divisional strategic plan.

## COLLABORATIVE INITIATIVES

Special initiatives aimed at improving our service offering to the investing community and the public at large, encouraged increased collaboration with other local, regional and international regulatory agencies. Through our collaborations, our job of monitoring the market and our response to new products and increased trade offerings have become more sophisticated, as access to assistance and guidance in matters has increased and communication times diminished.

## TTSE APPLICATIONS

Five (5) TTSE applications were received for the fiscal period which included one (1) Rule change – an amendment to the Closing Price Rule (227) and the introduction of the Volume Weighted Average Price (VWAP). Commensurate with the rule change was the repeal of the Horizon Trading Rules which became obsolete after the switch to the new GV trading system. In relation to the introduction of the new trading platform, TTSE also made an application for a change in software provider. Other applications included:-

- Delisting of Capital and Credit Merchant Bank Limited Preference (CCMBP) shares on the TTSE in July 2011;
- Withdrawal of delisting request of BS&T shares until BS&T becomes a wholly owned subsidiary of NML and;
- Proposal for the revision of TTSE's Listing Agreement

Table 13 encapsulates the list of activities for the year.

TABLE 13: **MARKET REGULATION ACTIVITIES**  
October 2010 – September 2011

No.	Category	Fiscal Year 2011
1.	New Investigations	1
2.	Trading Inquiries	3
3.	TTSE Applications	5
4.	Investor Complaints	15
5.	Investor Education sessions	5
6.	Market Breaches	19
7.	Special Assignments	6
8.	Skills Development	9

## REGULATION AND ENFORCEMENT

The Division of Legal Advisory and Enforcement continued to revise the Securities Bill during the course of the fiscal year. Further revisions to the draft legislation became necessary to fulfil the requirements to become a full signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU). External consultants were engaged to address the inadequacies in the Securities Bill that were identified by IOSCO. This project is ongoing and will continue in 2012 when the revised Bill is expected to be laid in Parliament.

The Anti Money Laundering and Combating Financing of Terrorism (AML/CFT) guidelines were revised in light of legislative developments in Trinidad and Tobago, namely the amendments to the Proceeds of Crime Act and Anti-Terrorism Act, the enactment of the Financial Intelligence Unit Act, and the issuing of the Financial Obligations Regulations. It is anticipated that these guidelines would be issued in the second quarter of the next fiscal year.

The Commission is at present a party to the Commission of Enquiry into the failure of the CL Financial Group of Companies and the Hindu Credit Union. The Commission's involvement in the Commission of Enquiry is expected to continue well into 2012.

### ENFORCEMENT

The enforcement team continued to investigate complaints received from members of the public. In one (1) case, a freezing order was obtained from the High Court and a consultant was hired to perform an examination of the books and records of the market actor. A hearing into this matter is carded for January 2012.

Judgement was obtained in a civil action brought in relation to an investigation which commenced in 2010. The Staff of the Commission is currently in the process of having a Receiver appointed by the Court to give effect to the judgement.

As at September 30th 2011, four (4) investigations were closed as it was determined that there was no contravention of the Securities Industry Act 1995 (SIA). One (1) matter was referred to the Fraud Squad and settlement discussions are ongoing in another. Eleven (11) matters remain under review.

### CONTRAVENTION ACTIONS

During the fiscal year, the Staff of the Commission initiated a number of enforcement actions against registrants for contraventions of the SIA. There were seventy-three (73) contraventions detected which resulted in thirty-three (33) orders of the Commission. These Orders were published in the Gazette and on the Commission's Website. For the fiscal year, the Commission collected \$1,788,500.00 in penalties from registrants as compared to \$3,296,086.50 from 171 orders of the Commission of the previous fiscal year.

The Division of Legal Advisory and Enforcement will for the next fiscal year be focused on, among other projects, the:

- Continued protection of investors through robust enforcement;
- The passage of the Securities Bill and;
- The successful inclusion of Trinidad and Tobago into the list of IOSCO compliant countries.

## RESEARCH AND POLICY DEVELOPMENT

### POLICY

Staff conducted research into the area of private equity funds which included international best practices on the regulation of these funds. A policy paper would be prepared and disseminated for public comment within the next fiscal year. In addition, the staff collaborated with the division of Legal Advisory & Enforcement to amend the existing policy paper on AML/CFT.

Staff engaged market participants in dialogue with the aim of revising the Repurchase Agreement Guidelines (Repo Guidelines). As at the end of September 2011, the Repo guidelines were in its final stage of review and was being prepared to be presented to the Board of Commissioners for their consideration. Final approval and implementation is expected in the second quarter of the next fiscal year.

Another area of research was in the conduct of business for market actors which is intended to inform a policy paper and guidelines. This policy paper and its guidelines are aimed at establishing the standards market by which actors should adhere in the conduct of their internal operations and interaction with clients. It is expected to be completed within the next fiscal period.

In addition, staff prepared research papers that were presented at international meetings of Securities Commissions, which included the following:

- ***“Developing the Retail Investor Base in Emerging Markets”*** presented at the IOSCO Emerging Market Committee meeting held in the Dominican Republic; and
- ***“Investor Protection and Financial Education in Trinidad and Tobago”*** presented at the COSRA/IARC meeting of the Latin American Corporate Governance Roundtable in Peru.

## PLANNING

The Division reviewed the Commission’s three-year Strategic Plan. The proposed changes to the SIA 1995 would inform and impact the strategic plan and direction of the Commission.

## DEVELOPING AND DELIVERING PROGRAMMES OF INVESTOR EDUCATION

The global financial crisis has brought to the fore an increasing need for financial literacy to be developed as a life skill. This is largely due to the fact that:

- The financial landscape is evolving rapidly and countries have become bankrupt;
- Worldwide there has been an increase in the number of active investors;

- These investors are now faced with increasingly complex products;
- Investment risk has increased due to the proliferation of derivatives;
- There is a preponderance of fraudulent investment schemes on the market;
- Information technology has expanded the reach to more investors;
- A broad range of financial risks has been transferred to neophyte consumers of financial services and;
- Financial literacy involves different skills sets than those received via general education.

The number of financial crises in close succession underscores the limited ability of regulation alone to protect vulnerable stakeholders with inadequate understanding of financial issues. Financial education has thus become an important complement to market conduct and prudential regulation since it can be argued that:

1. Regulatory guidelines assume certain levels of financial literacy and sophistication of investors;
2. Low levels of financial literacy can result in poor investment decision making and;
3. The access to information is key to making wise investment choices

The Commission affirms its commitment to the enhancement of the investor’s knowledge base through its Investors Education Programme.

## PRINT AND ELECTRONIC MEDIA CAMPAIGN

The Investor Education Programme extended its reach through the publication of its “Avoiding Scams” Campaign which was disseminated via all daily newspapers. A radio version of the campaign was also aired. The advertisements and sound bites for the radio campaign are available on the Commission’s website.



The scope of broad financial literacy programmes requires dedicated resources, both financial and human. Regulators worldwide would all agree that they lack sufficient resources for such programmes. One (1) solution is a coordinated effort with synergies from different market actors and regulators. The Commission has therefore utilized its stakeholder collaboration mechanism for the dissemination of its investor education material. Listed below are some initiatives that were undertaken during the fiscal period to create a broad outreach.

#### CENTRAL BANK OF TRINIDAD AND TOBAGO (CBTT)

##### **Newsletter**

The Commission provided the CBTT with material for inclusion in their quarterly stakeholder newsletter. Information was provided that explained the role and function of the Commission and the relevance of the policies of IOSCO to the Commission's development, implementation and adherence to internationally recognised and consistent standards of regulation.

##### **NFLP Secondary school quiz**

The Commission shares with the CBTT's National Financial Literacy Programme (NFLP) a desire to educate the young people of Trinidad and Tobago and help them make informed financial choices to better manage their money. As such we collaborated with the NFLP and provided source material for use in developing questions for the National Financial Literacy Programme's National Secondary Schools Quiz 2011.

##### **Brochure distribution**

As part of good governance, financial institutions and their intermediaries have a fiduciary responsibility to provide accurate and timely information and objective advice to their customers. The Commission collaborated with an initial target group of market actors to provide information to their clients. During the period under review, brochures

were disseminated among clients of three (3) financial institutions and two (2) credit unions.

The Commission will continue, as part of its Investor Education Programme, to work together with market participants to enhance the financial literacy of the investing public.

##### **Investor Education Outreach Campaign**

In our continued quest to source partners in disseminating the Investor Education message the Commission targeted a wide range of stakeholders in our outreach campaign. These included:

- Trinidad and Tobago Coalition of Services Industries (TTCSI);
- Ministry of Labour & Small and Micro Enterprise Development;
- Ministry of Local Government;
- Ministry of Public Administration;
- Couva/Tabaquite/Talparo Regional Corporation;
- College of Science, Technology, Applied Arts of Trinidad & Tobago (COSTAATT).

##### **Public Exhibitions**

The Commission participated in two (2) exhibitions hosted by the CBTT and the Ministry of Legal Affairs. These sessions provided an opportunity for the staff of the Commission to have direct interaction with members of the public. These exhibitions included the, "Managing Your Future" hosted by the CBTT at Saith Park, Chaguanas and World Consumer Rights Day (WCRD) on the Brian Lara Promenade.

Representatives from the Commission interacted with the large group of stakeholders who attended the events and provided information on the Commission's role and the rights and responsibilities of investors. Brochures were distributed which were designed to equip persons with the tools needed to make wise financial decisions. These brochures were titled:

- Types of Investment Instruments;
- Investing for Life stages;
- Avoiding scams and;
- How to complain.

As part of the commemoration of WCRD, the Commission placed an article which focused on the WCRD 2011 theme, “Consumers for Fair Financial Services” in daily newspapers and on the Commission’s website

## INFORMATION AND COMMUNICATION TECHNOLOGY

The Information Management Division (IM) primarily focused on the objectives of improvements to business continuity, enhancements to the strategic information security, assessment of the Commission’s online presence and the protection of vital data. Increasing natural disasters worldwide has heightened the awareness of vulnerabilities and the need to recover and resume the Commission’s critical business functions in a timely manner.

In adherence to national, regional and international best practices and requirements, the Commission conducted disaster recovery testing to augment its business continuity plan. The Commission also intensified its information security processes and risk assessment practices to incorporate Cyber Crime and Terrorism legislation.

The Commission’s market monitoring solution was redesigned for conformity and integration with the Trinidad & Tobago Stock Exchange’s (TTSE) new trading platform. Software applications and technology were enhanced to facilitate and improve system monitoring, user productivity, protection of vital records, improved system management and overall connectivity. IM facilitated in-house, as well as online, training of staff to effectuate proficient utilization of technology.

Continuous review of the utilization and effectiveness of technology and its congruence with the needs of the Commission, as a regulator and facilitator of market development, remain an integral function of the division. Further, the development of the Commission’s online presence and electronic interaction with key stakeholders, inclusive of investors and the public, would be amplified in the coming year.

## HUMAN RESOURCE AND TRAINING

Over the period of review, the Commission had an increase in its complement of Commissioners with the appointment of three (3) additional Commissioners, namely Mr. Horace Mahara, Mr. Ravi Rajcoomar and Ms. Uchenna Ogbue. The Commission also received the re-appointments of two former Commissioners, Dr. Shelton Nicholls and Ms. Marsha King. At the close of the fiscal year, the Board of Commissioners stood at six (6) members which included the Chairman, Ms. Deborah Thomas-Felix.

Another significant milestone for the Commission was the recruitment of the General Manager, Ms. Claudia Emmanuel in June 2011. Ms. Emmanuel is an Attorney-at-Law who has had over eleven (11) years experience in the financial services industry in England and has experience in ensuring regulatory compliance in multiple jurisdictions.

The Commission was also successful in filling some of its key managerial vacancies for the positions of Director of the following divisions: Policy, Research and Planning, Market Regulation and Surveillance and Disclosure, Registration & Corporate Finance.

## TRAINING AND DEVELOPMENT

The Commission has been involved in preparations for a Technical Assistance Agreement with the United States Securities and Exchange Commission (“USSEC”) for the hosting of the annual training programme on capital market development and enforcement.

The program which was hosted during the period September 26 to 30, 2011 provided for the review of best practices in the development and regulation of capital markets. Senior experts from the USSEC shared their insights and experience on capital market development, enforcement and the examination of market participants. The program also explored responses to the financial crisis and market abuses.

This year there were fourteen (14) regional participants with first time attendees from the Central Bank of Suriname and the Central Bank of Curacao and St. Maarten. Also in attendance were nineteen (19) participants from nine (9) local agencies. These included the Financial Intelligence Unit, Ministry of the Attorney General, Solicitor General’s

Department, the Trinidad & Tobago Police Service (Financial Intelligence Bureau), Arthur Lok Jack Graduate School of Business, the Judiciary, Fraud Squad, the CBTT and the TTSE.

The Commission was also able to train twenty-three (23) members of staff which was a significant developmental opportunity not only for the staff, but for the other local regulatory bodies. Major topics included:

- Challenges of Securities Regulation;
- Ponzi, Pyramid and Affinity Fraud Schemes;
- Building Compliance Programs in Broker-Dealers and Investment Advisors;
- Money Laundering and the Securities Industry.

In addition to the hosting of training on securities regulation, members of staff were also exposed to on-going technical and skill based programmes. Over the fiscal period, staff participated in forty-seven (47) training opportunities throughout all levels of the organization. There were thirty-four (34) local programs and thirteen (13) overseas programmes which focused on areas such as enforcement and financial education and literacy. Significant focus was also placed on strategic information technology programmes which included business process mapping, business continuity and disaster recovery.

## STAFFING

As at September 30, 2011, the Commission had a staff complement of fifty-three (53) members. Over the period, the Commission recruited seven (7) staff members to fill the vacancies in key management positions and in the Legal Advisory and Enforcement Division.

The Commission had three (3) departures during the period under review. ■



#### LEGAL ADVISORY & ENFORCEMENT

Sitting, Left to Right: Danielle Rampersad, Norton Jack, *General Counsel/Deputy General Manager (Acting)*, Rhonda Simmons-Doyle, Cindy Phillip

Standing, Left to Right: Raphael Romany, Anderson Sooparlie, Astraea Douglas, Brian Peters, Jayanti Lutchmedial

Missing: Ava Solomon

#### ▶ HUMAN RESOURCE MANAGEMENT

Sitting: Francisca Ambrose-Grant, *Human Resource Manager*

Standing: Ria Badree







#### POLICY RESEARCH & PLANNING

Sitting: Ronald Phillip, *Director, Policy Research & Planning*

Standing, Left to Right: Amberlene Joseph, Cheryl Cameron, Nina Antoine, Patrice Hernandez, Kavena Ramsoobhag

#### COMMUNICATIONS

Sitting, Left to Right: Dike Noel, Arlene Stephen, *Senior Communications Manager*

Standing: Rachael Rampersad

# STAFF OF THE COMMISSION



## DISCLOSURE, REGISTRATION & CORPORATE FINANCE

Sitting, Left to Right: Michelle Rojas-Britto,  
Chandradath Maharaj, *Director Disclosure  
Registration & Corporate Finance*, Salisha Ali

Standing, Left to Right: Kevin Deopersad,  
Krystal Francette, Abigail Baird,  
Gerard Pierre, Reshma Guptar, Kyle Delgado,  
Giselle Bartholomew, Suresh Gobin

## INFORMATION MANAGEMENT

Sitting, Left to Right: Curlene James, Lystra  
Lucillio, *Director Information Management*,  
Carol Noel

Standing: Charmaine Howard







#### ▼ CORPORATE SERVICES

Standing, Left to Right: Anira Abraham, Hazel Ramsingh-Persad, *Director Corporate Services*, Leslie Clarke, Mariella Woodruffe-Charles, Arlene Francis, Cylette Thomas

Sitting, Left to Right: Tayeb Bostic, Nikita Beobhajan, Frank Isaac, Kolette Walters, Matthew Roban

#### ▶ MARKET REGULATION & SURVEILLANCE

Sitting, Left to Right: Marianne Wilson, *Director Market Regulation & Surveillance*, Craig Cumberbatch

Standing, Left to Right: Janine Carrera, Ayoub Barcoo, Rosalind King

TABLE A1:

## BROKERS

	BROKERS	COMPANY
1	Akan, Myrnelle V.	AIC Securities Limited
2	Ali, Salma	West Indies Stockbrokers Limited
3	Alleyne, Harold	West Indies Stockbrokers Limited
4	Alviar, Oscar	Independent
5	Balram, Kisraj	First Capital Union Financial Brokers Limited
6	Bridgewater, Joanne	Republic Securities Limited
7	Carrera-Justiz, Francisco	Independent
8	Cugliari, Fernando	Independent
9	Darbasie, Karen	Citicorp Merchant Bank Limited
10	Fadahunsi, Lai	AIC Securities Limited
11	Fletcher, Claire	Scotia Investments Trinidad and Tobago Limited
12	Gosein, Godfrey	Republic Securities Limited
13	Hepburn, Karrian	Scotia Investments Trinidad and Tobago Limited
14	Ho Sing Loy, Ameen	RBC Merchant Bank (Caribbean) Limited
15	Johnson, Alvin	Caribbean Stockbrokers Limited
16	Khodai, Keshwar	First Citizens Bank Limited
17	Maharaj, Varun	Ansa Merchant Bank Limited
18	Manmohan, Adrian	West Indies Stockbrokers Limited
19	Montes, Francisco	Independent
20	Mullings, Donavan	Bourse Brokers Limited
21	Narine, Ian	Guardian Asset Management Limited
22	Padmore, Winston	Independent
23	Rahaman, Hassan	FirstCaribbean International Bank (Trinidad and Tobago) Limited
24	Ramkhelawan, Sarodh	Bourse Securities Limited
25	Ramkhelawan, Subhas	Bourse Securities Limited
26	Salvary, Brent	KSBM Asset Management Limited
27	Seebaran, Madree	Bourse Securities Limited
28	Shah, Reaaz	FirstCaribbean International Bank (Trinidad and Tobago) Limited
29	Sheppard, George	Sheppard Securities Limited
30	St. Louis, Leslie	First Citizens Brokerage & Advisory Limited
31	Syne, Sascha	First Citizens Investment Services Limited
32	Tang Nian, Stephen	RBC Merchant Bank (Caribbean) Limited
33	Thomas, Rowland	Guardian Asset Management and Investment Services Limited



TABLE A2:

## INVESTMENT ADVISORS

1	Burris, Stephen
2	Caribbean Development Capital Limited
3	Clewett, Nigel
4	FCL Financial Limited
5	FirstCaribbean International Bank (Trinidad & Tobago) Limited
6	Funds International Limited
7	Global Financial Brokers Limited
8	Goolcharan, Vishal
9	Guardian Life of the Caribbean Limited
10	Husain, Haroon
11	International Wealth and Investment Network Limited
12	Marquis Portfolio Managers Limited
13	Mondial (Trinidad) Limited
14	Quan-Soon, Ian
15	RBC Investment Management (Caribbean) Limited
16	Republic Securities Limited
17	Ruby Wealth Management Limited
18	The Beacon Asset Management Limited
19	Vega Capital Management Limited

# APPENDICES

TABLE A3:

## REPORTING ISSUERS

1	Add Venture Capital Fund Limited	30	GraceKennedy Limited
2	Agostini's Limited	31	Guardian Holdings Limited
3	Airports Authority of Trinidad and Tobago	32	Guardian Media Limited
4	Angostura Holdings Limited	33	Intercommercial Bank Limited
5	Angostura Limited	34	Jamaica Money Market Brokers Limited
6	ANSA McAL Limited	35	Jamaica Public Service Company Limited
7	Ansa Merchant Bank Limited	36	Jamaica Select Index Fund Limited
8	BCB Holdings Limited	37	L.J. Williams Limited
9	Berger Paints Trinidad Limited	38	La Brea Industrial Development Company Limited
10	BWIA West Indies Airways Limited	39	Life Settlements Funds Limited
11	Capital and Credit Financial Group Limited	40	Manulife Investment Exchange Funds Corp
12	Capital and Credit Merchant Bank Limited	41	Mega Insurance Company Limited
13	Caroni (1975) Limited	42	Mora Ven Holdings Limited
14	Citibank (Trinidad and Tobago) Limited	43	National Commercial Bank Jamaica Limited
15	Citicorp Merchant Bank Limited	44	National Enterprises Limited
16	Cool Petroleum (St. Lucia) Limited	45	National Flour Mills Limited
17	Development Finance Limited	46	National Infrastructure Development Company Limited
18	Dynamic Equity Fund II Limited	47	National Insurance Property Development Company Limited
19	Dynamic Equity Venture Fund Limited	48	National Maintenance Training and Security Company Limited
20	Education Facilities Company Limited	49	Neal & Massy Holdings Limited
21	First Citizens Asset Management Limited	50	Nestle Trinidad and Tobago Limited
22	First Citizens Bank Limited	51	One Caribbean Media Limited
23	FirstCaribbean International Bank Limited	52	Point Lisas Industrial Port Development Corporation Limited
24	Flavorite Foods Limited	53	Port Authority of Trinidad and Tobago
25	FNCU Venture Capital Company Limited	54	Prestige Holdings Limited
26	Fortress Caribbean High Interest Fund Limited	55	Public Transport Service Corporation
27	Fortress Caribbean Property Fund Limited		
28	Fortress Global Value Fund Limited		
29	Fortress Mutual Fund Limited		

TABLE A3:

## REPORTING ISSUERS

56	RBC Financial (Caribbean) Limited	77	TCL Service Limited
57	RBC Merchant Bank (Caribbean) Limited	78	Telecommunications Services of Trinidad and Tobago Limited
58	RBC Royal Bank (Trinidad & Tobago) Limited	79	The Barbados Shipping & Trading Company Limited
59	RBTT Bank Barbados Limited	80	The Home Mortgage Bank
60	RBTT Finance Limited	81	The National Football Stadium Company Limited
61	Readymix (West Indies) Limited	82	The West Indian Tobacco Company Limited
62	Republic Bank Limited	83	Tourism & Industrial Development Company of Trinidad & Tobago Limited
63	Republic Finance and Merchant Bank Limited	84	Transjamaican Highway Limited
64	Royal Bank of Canada	85	Trinidad and Tobago Housing Development Corporation
65	Royal Skandia Life Assurance Limited	86	Trinidad and Tobago Mortgage Finance Company Limited
66	Sagicor Asset Management (Trinidad and Tobago) Limited	87	Trinidad and Tobago Unit Trust Corporation
67	Sagicor Financial Corporation	88	Trinidad Cement Limited
68	Sagicor Funds Incorporated	89	Trinidad Select Index Fund Limited
69	Schroder Investment Management (Luxembourg) S.A	90	Unilever Caribbean Limited
70	Scotia DB&G Caribbean Income Fund Inc	91	Unit Trust Corporation (Cayman) SPC Limited
71	Scotia DBG Investments Limited	92	Urban Development Corporation of Trinidad & Tobago Limited
72	Scotiabank Trinidad & Tobago Limited	93	VT Umbrella Fund PCC Limited
73	St Christopher Air and Sea Ports Authority	94	Water & Sewerage Authority
74	St. Kitts Urban Development Corporation Limited		
75	Supreme Ventures Limited		
76	TCL Leasing Limited		

# APPENDICES

TABLE A4:

## TRADERS

	TRADERS	COMPANY
1	Basdeo, Anderson	Citicorp Merchant Bank Limited
2	Basdeo, Roshan	Bourse Brokers Limited
3	Chen, Nancy	West Indies Stockbrokers Limited
4	Eve, Patricia	Republic Securities Limited
5	Gajadar, Kerry	Caribbean Stockbrokers Limited
6	Ghany, Rianna Sarah	First Citizens Bank Limited
7	Inniss-Bernard, Judy	Republic Securities Limited
8	Julien, Jason	First Citizens Investment Services Limited
9	Leons, Keron	First Citizens Investment Services Limited
10	Mahabirsingh, Sherma	First Citizens Investment Services Limited
11	Martineau, Dan	ANSA Merchant Bank Limited
12	Melville, Cecila	Citicorp Merchant Bank Limited
13	Mohammed, Shaun	Bourse Brokers Limited
14	Mooteeram, Charissa	First Citizens Brokerage and Advisory Services Limited
15	Ramnath-Singh, Gail	Caribbean Stockbrokers Limited
16	Ramroop, Dianna	First Citizens Brokerage and Advisory Services Limited
17	Savary, Hilary	AIC Securities Limited
18	Sookhoo, Anganie	RBC Merchant Bank (Caribbean) Limited
19	St. Clair, Tallia	Scotia Investments Trinidad and Tobago Limited
20	Vieria, Lisa Ann	AIC Securities Limited
21	Wallace, Chivonne	First Citizens Bank Limited
22	Wells-Fraser, Bernadette	AIC Securities Limited



# 8 APPENDICES

(continued)

TABLE A5:

## UNDERWRITERS

- |   |   |
|---|---|
| 1 | FirstCaribbean International Bank (Trinidad & Tobago) Limited |
| 2 | FirstCaribbean International Bank (Bahamas) Limited           |

TABLE A6:

## SECURITIES COMPANIES

- |    |   |  |
|----|---|--|
| 1  | AIC Securities Limited  | Broker, Dealer, Investment Adviser, Underwriter    |
| 2  | Ansa Merchant Bank Limited                                    | Broker(G), Dealer, Investment Adviser, Underwriter |
| 3  | Ansa Securities Limited                                       | Broker, Dealer, Investment Adviser, Underwriter    |
| 4  | Bourse Brokers Limited  | Broker, Dealer                                     |
| 5  | Bourse Securities Limited                                     | Broker, Dealer, Investment Adviser, Underwriter    |
| 6  | Caribbean Stockbrokers Limited                                | Broker, Dealer, Investment Adviser, Underwriter    |
| 7  | Citicorp Merchant Bank Limited                                | Broker (G), Dealer, Underwriter                    |
| 8  | Development Finance Limited                                   | Dealer, Investment Adviser, Underwriter            |
| 9  | First Capital Union Financial Brokers Limited                 | Broker   |
| 10 | First Citizens Asset Management Limited                       | Dealer, Investment Adviser, Underwriter            |
| 11 | First Citizens Bank Limited                                   | Broker(G), Investment Adviser, Underwriter         |
| 12 | First Citizens Brokerage and Advisory Services Limited        | Broker, Dealer, Investment Adviser, Underwriter    |
| 13 | First Citizens Investment Services Limited                    | Broker, Dealer, Investment Adviser, Underwriter    |
| 14 | First Citizens Securities Trading Limited                     | Dealer, Investment Adviser, Underwriter            |
| 15 | First Global (Trinidad and Tobago) Limited                    | Dealer, Investment Adviser, Underwriter            |
| 16 | FirstCaribbean International Bank (Trinidad & Tobago) Limited | Broker(G)  |
| 17 | Firstline Securities Limited                                  | Dealer, Investment Adviser, Underwriter            |
| 18 | General Finance Corporation Limited                           | Dealer, Investment Adviser, Underwriter            |

(continued)

# APPENDICES

TABLE A6:

## SECURITIES COMPANIES

19	Guardian Asset Management and Investment Services Limited	Broker, Dealer, Investment Adviser, Underwriter
20	Guardian Asset Management Limited	Broker, Dealer, Investment Adviser, Underwriter
21	Intercommercial Bank Limited	Dealer, Investment Adviser, Underwriter
22	Intercommercial Trust and Merchant Bank Limited	Dealer, Investment Adviser, Underwriter
23	KCL Capital Market Brokers Limited	Dealer, Investment Adviser, Underwriter
24	KSBM Asset Management Limited	Broker, Dealer, Investment Adviser, Underwriter
25	Murphy Clarke Financial Limited	Dealer, Investment Adviser, Underwriter
26	RBC Merchant Bank (Caribbean) Limited	Broker, Dealer, Underwriter
27	Republic Bank Limited	Dealer, Investment Adviser, Underwriter
28	Republic Finance and Merchant Bank Limited	Underwriter
29	Republic Securities Limited	Broker
30	Sagcor Asset Management (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
31	Sagcor Life Incorporated	Dealer, Investment Adviser, Underwriter
32	Scotia Investments (Trinidad and Tobago) Limited	Broker, Dealer, Investment Adviser, Underwriter
35	Scotiabank Trinidad & Tobago Limited	Underwriter
33	Scotiabank and Merchant Bank (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
34	Sheppard Securities Limited	Broker
35	Trinidad and Tobago Unit Trust Corporation	Broker(G), Dealer, Investment Adviser, Underwriter
36	West Indies Stockbrokers Limited	Broker, Dealer, Investment Adviser, Underwriter

TABLE A7:

## SELF REGULATORY ORGANIZATIONS

1	The Trinidad and Tobago Central Depository Limited
2	The Trinidad and Tobago Stock Exchange Limited



# 8 APPENDICES

(continued)

TABLE A8:

## EQUITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

ISSUER	TYPE	TYPE OF SHARES	DESCRIPTION
Grace Kennedy Limited	DSOP	Ordinary	Grace Kennedy Limited 120,000 Ordinary Shars pursuant to Directors Stock Option Plan
Grace Kennedy Limited	DSOP	Ordinary	Grace Kennedy Limited 266,081 Ordinary Shars pursuant to Directors Stock Option Plan
<b>Sub-Total</b>	<b>DSOP - Ordinary Shares</b>		
Agostini's Limited	ESOP	Ordinary	Agostini's Limited 25,200 Ordinary Shares pursuant to Executive Stock Option Plan
ANSA Merchant Bank Limited	ESOP	Ordinary	Ansa McAL Limited 86,250 Ordinary Shares pursuant to Executive Share Option Plan
ANSA Merchant Bank Limited	ESOP	Ordinary	Ansa McAL Limited 127,850 Ordinary Shares pursuant to Executive Share Option Plan
Grace Kennedy Limited	ESOP	Ordinary	Grace Kennedy Limited 126,570 Ordinary Shares pursuant to Employee Share Scheme
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal and Massy Holdings Limited 9,982 Ordinary Shares pursuant to Executive Stock Option Plan
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal and Massy Holdings Limited 13,147 Ordinary Shares pursuant to Executive Stock Option Plan
<b>Sub-Total</b>	<b>ESOP - Ordinary Shares</b>		
Sagikor Financial Corporation	Other	Common Shares	Sagikor Financial Corporation 24,539,876 Common Shares pursuant to a Rights Issue at USD\$1.63 per share and an agreement by IFC to acquire additional common shares
Sagikor Financial Corporation	Other	Preference	Sagikor Financial Corporation 120,000,000 Preference Shares
<b>Sub-Total</b>			
<b>GRAND TOTAL</b>			

# APPENDICES

\* 14100 shares were offered at \$47.87 and 113750 shares were offered at \$17.32  
 \*\* 4487 shares were offered at \$49.39 and 8300 shares were offered at \$37.03  
 \*\*\* US dollar values were converted at an Exchange rate of US\$1 = TT\$6.4264  
 \*\*\*\* JMD dollar values were converted at an Exchange rate of JMD\$1 = TT\$0.0747

## EQUITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

NO. OF SHARES	CURRENCY	PRICE OF SHARE	VALUE OF SHARES	VALUE OF SHARES TT\$	REGISTRATION DATE
120,000.00	JMD	\$27.34	\$3,280,800.00	\$245,075.76	26-Jul-11
266,081.00	JMD	\$27.34	\$7,274,654.54	\$543,416.69	30-Sep-11
<b>386,081.00</b>				<b>\$788,492.45</b>	
25,200.00	TT	\$10.00	\$252,000.00	\$252,000.00	30-Sep-11
86,250.00	TT	\$17.32	\$1,493,850.00	\$1,493,850.00	24-Mar-11
127,850.00	TT	\$17.32 and \$47.87*	\$2,645,117.00	\$2,645,117.00	30-Sep-11
126,570.00	JMD	\$39.30	\$4,974,201.00	\$371,572.81	5-Aug-11
9,982.00	TT	\$37.03	\$369,633.46	\$369,633.46	5-Aug-11
13,147.00	TT	\$37.03 and \$49.39**	\$528,961.93	\$528,961.93	5-Aug-11
<b>388,999.00</b>				<b>\$5,661,135.20</b>	
24,539,876.00	US	\$1.63	\$39,999,997.88	\$257,055,986.38	31-May-11
120,000,000.00	US	\$1.00	\$120,000,000.00	\$771,168,000.00	31-May-11
<b>144,539,876.00</b> <b>145,314,956.00</b>				<b>\$1,028,223,986.38</b> <b>\$1,034,673,614.03</b>	



# 8 APPENDICES

(continued)

TABLE A9:

## DERIVATIVE SECURITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

ISSUER	ISSUE NAME
ANSA Merchant Bank Limited	ANSA Merchant Bank Limited TT\$148,463,877.39 CoP in TT\$141,000,000.00 Telecommunications Services of Trinidad and Tobago Finance Lease
Citibank (Trinidad and Tobago) Limited	Citibank (Trinidad and Tobago) Limited TT\$286,530,490.63 (Face Value) CoPs in Government of Trinidad and Tobago Treasury Notes: Note A Certificates - Citibank (Trinidad and Tobago) Limited TT\$146,434,415.56 (Face Value) COPs in TT\$135,830,000 Government of Trinidad and Tobago Treasury Notes due 2014
Citibank (Trinidad and Tobago) Limited	Citibank (Trinidad and Tobago) Limited TT\$286,530,490.63 (Face Value) COPs in Government of Trinidad and Tobago Treasury Notes: b. Note B Certificates – Citibank (Trinidad and Tobago) Limited TT\$140,096,075.07 (Face Value) Certificates of Participation in TT\$129,410,000 Government of Trinidad and Tobago Treasury Notes due 2014
Citibank (Trinidad and Tobago) Limited	Citibank (Trinidad and Tobago) Limited TT\$305,097,783.56 (Face Value) CoPs in Government of Trinidad and Tobago Treasury Notes due 2016
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$1,458,469,166.66 (Face Value) CoP in Series 1 of the Guardian Holdings Limited TT\$1 Billion 7.975% Secured Fixed Rate Bonds due 2023
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$3,192,801,000.00 (Face Value) CoP in the Water and Sewerage Authority TT\$1,335,900,000 6.95% Fixed Rate Bond due 2031
First Citizens Bank Limited	First Citizens Bank Limited TT\$72,083,099.49 (Face Value) Certificates of Interest in Public Transport Service Corporation 5.95% Fixed Rate Bond 2020
Scotiabank Trinidad & Tobago Limited	Scotiabank Trinidad and Tobago Limited TT \$181,494,250.00 (Face Value) CoP in Evolving Technologies and Enterprise Development Company Limited TT \$148,000,000.00 Fixed Rate Loan
Scotiabank Trinidad and Tobago Limited	Scotiabank Trinidad and Tobago Limited TT\$88,287,781 CoP in TT\$80,951,856 National Information and Communication Technology Company Limited Fixed Rate Loan
Citibank (Trinidad and Tobago) Limited	Citibank (Trinidad & Tobago) Limited US\$114,010,600 (Face Value) CoPs in the Urban Development Corporation of Trinidad & Tobago Limited US\$88 million 5.63% Secured Fixed Rate Bonds due 2021
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited US\$17,250,000: (Face Value) CoP BBD\$161,000,000 Barbados Agricultural Management Company Limited Bond
<b>GRAND TOTAL</b>	

# APPENDICES

\* 14100 shares were offered at \$47.87 and 113750 shares were offered at \$17.32  
 \*\* 4487 shares were offered at \$49.39 and 8300 shares were offered at \$37.03  
 \*\*\* US dollar values were converted at an Exchange rate of US\$1 = TT\$6.4264  
 \*\*\*\* JMD dollar values were converted at an Exchange rate of JMD\$1 = TT\$0.0747

## DERIVATIVE SECURITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

ISSUE TYPE	CURRENCY TYPE	FACE VALUE	VALUE TT\$	REGISTRATION DATE
Certificate of Participation	TT\$	\$148,463,877.39	\$148,463,877.39	8-Jun-11
Certificate of Participation	TT\$	\$146,434,415.56	\$146,434,415.56	8-Jun-11
Certificate of Participation	TT\$	\$140,096,075.07	\$140,096,075.07	8-Jun-11
Certificate of Participation	TT\$	\$305,097,783.56	\$305,097,783.56	26-Jul-11
Certificate of Participation	TT\$	\$1,458,469,166.66	\$1,458,469,166.66	18-Jan-11
Certificate of Participation	TT\$	\$3,192,801,000.00	\$3,192,801,000.00	25-Mar-11
Certificate of Participation	TT\$	\$72,083,099.49	\$72,083,099.49	30-Sep-11
Certificate of Participation	TT\$	\$181,494,250.00	\$181,494,250.00	29-Mar-11
Certificate of Participation	TT\$	\$88,287,781.00	\$88,287,781.00	29-Mar-11
Certificate of Participation	US\$	\$114,010,600.00	\$732,677,719.84	23-Aug-11
Certificate of Participation	US\$	\$17,250,000.00	\$110,855,400.00	5-Aug-11
			<b>\$6,576,760,568.57</b>	





# 8 APPENDICES

(continued)

TABLE A10:

## FIXED INCOME SECURITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

ISSUER	TYPE OF SECURITY	DESCRIPTION
Agostini's Limited	Fixed Rate Bond	Agostini's Limited TT\$50,000,000.00 8.00% Fixed Rate Bond due 2021
ANSA Merchant Bank Limited	Fixed Rate Bond	ANSA Merchant Bank Limited US\$ 50,000,000.00 Medium Term Loan Notes Tranche 1 - US\$25 Million 3.50% Notes due 2014
ANSA Merchant Bank Limited	Fixed Rate Bond	ANSA Merchant Bank Limited US\$ 50,000,000.00 Medium Term Loan Notes Tranche 2 - US\$10 Million 5% Notes due 2016
ANSA Merchant Bank Limited	Fixed Rate Bond	ANSA Merchant Bank Limited US\$ 50,000,000.00 Medium Term Loan Notes Tranche 3 - US\$15 Million 5.50% Notes due 2018
Guardian Holdings Limited	Fixed Rate Bond	Series 1 of Guardian Holdings Limited TT\$1 Billion Secured 7.975% Fixed Rate Bond due 2023
Guardian Holdings Limited	Fixed Rate Bond	Series 2 of Guardian Holdings Limited TT\$1 Billion Secured 7.975% Fixed Rate Bond due 2023
Guardian Holdings Limited	Fixed Rate Bond	Guardian Holdings Limited TT\$ 50,000,000.00 Twelve Month Fixed Rate Commercial Paper Notes 2012
National Insurance Property Development Company Limited	Fixed Rate Bond	National Insurance Property Development Company Limited TT\$750,000,000.00 6.55% Fixed Rate Bond due 2030
Telecommunications Services of Trinidad and Tobago	Fixed Rate Bond	Telecommunications Services of Trinidad and Tobago TT\$270,000,000.00 3.85% Fixed Rate Bond due 2017
Urban Development Corporation of Trinidad and Tobago	Fixed Rate Bond	Urban Development Corporation of Trinidad and Tobago US\$88 Million Fixed Rate Bond due 2021
Water and Sewerage Authority	Fixed Rate Bond	Water and Sewerage Authority TT\$1,335,900,000 6.95% Fixed Rate Bond due 2031

### GRAND TOTAL

# APPENDICES

\*US dollar values were converted at an Exchange rate of US\$1 = TT\$6.426

## FIXED INCOME SECURITIES REGISTERED BY THE COMMISSION OCTOBER 1, 2010 - SEPTEMBER 30, 2011

CURRENCY	VALUE	VALUE IN TT\$	REGISTRATION DATE
TT\$	\$50,000,000.00	\$50,000,000.00	30-Sep-11
US\$	\$25,000,000.00	\$160,660,000.00	26-Jul-11
US\$	\$10,000,000.00	\$64,264,000.00	26-Jul-11
US\$	\$15,000,000.00	\$96,396,000.00	26-Jul-11
TT\$	\$900,000,000.00	\$900,000,000.00	18-Jan-11
TT\$	\$100,000,000.00	\$100,000,000.00	18-Jan-11
TT\$	\$50,000,000.00	\$50,000,000.00	30-Sep-11
TT\$	\$750,000,000.00	\$750,000,000.00	2-May-11
TT\$	\$270,000,000.00	\$270,000,000.00	30-Sep-11
US\$	\$88,000,000.00	\$565,523,200.00	23-Aug-11
TT\$	\$1,335,900,000.00	\$1,335,900,000.00	24-Mar-11
		<b>\$4,342,743,200</b>	



# INDEPENDENT AUDITOR'S REPORT

To the members of  
The Trinidad & Tobago Securities and Exchange Commission

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The Trinidad & Tobago Securities and Exchange Commission, which comprise the statement of financial position as at 30 September 2011 and the statements of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

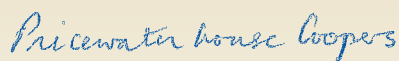
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Trinidad & Tobago Securities and Exchange Commission as at 30 September 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



PricewaterhouseCoopers

22 December 2011

Port of Spain,

Trinidad, West Indies

# STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

		30 September	
		2011	2010
		\$	\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	8,171,588	10,321,076
Prepayments and other receivables	5	179,438	179,438
		8,351,026	10,500,514
<b>Current Assets</b>			
Cash and cash equivalents	6	38,192,505	33,849,787
Prepayments and other receivables	5	2,492,628	2,606,144
Taxation recoverable		107,151	149,516
		40,792,284	36,605,447
<b>Total Assets</b>		<b>49,143,310</b>	<b>47,105,961</b>
<b>ACCUMULATED SURPLUS AND LIABILITIES</b>			
<b>Accumulated Surplus</b>		43,166,159	37,767,165
<b>Non-Current Liabilities</b>			
Deferred Government Subvention	7	5,145,833	6,500,000
<b>Current Liabilities</b>			
Payables and other accruals	8	831,318	2,838,796
<b>Total Liabilities</b>		5,977,151	9,338,796
<b>Total Accumulated Surplus and Liabilities</b>		<b>49,143,310</b>	<b>47,105,961</b>

The notes on pages 51 to 59 are an integral part of these financial statements.

On 12 December 2011, the Commissioners of The Trinidad & Tobago Securities and Exchange Commission authorised these financial statements for issue.



Commissioner



Commissioner



Chairman



# STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year Ended 30 September 2011 \$	2010 \$
<b>Income</b>			
Registration fees		4,989,203	6,482,481
Government subvention		26,712,302	25,358,135
Interest		48,809	274,026
Other income		34,170	982
		<hr/>	<hr/>
		31,784,484	32,115,624
<b>Expenses</b>			
Administration		(2,321,012)	(2,434,572)
Finance		(6,692)	(8,611)
Operating		(24,052,260)	(20,604,086)
		<hr/>	<hr/>
	9	(26,379,964)	(23,047,269)
		<hr/>	<hr/>
<b>Surplus Before Taxation</b>		5,404,520	9,068,355
<b>Taxation</b>	10	(5,526)	(10,365)
		<hr/>	<hr/>
<b>Net Surplus</b>		5,398,994	9,057,990
<b>Other Comprehensive Income</b>		—	—
		<hr/>	<hr/>
<b>Total Comprehensive Income for the Year</b>		<u>5,398,994</u>	<u>9,057,990</u>

The notes on pages 51 to 59 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

*(Expressed in Trinidad and Tobago Dollars)*

	Notes	Year Ended 30 September	
		2011	2010
		\$	\$
<b>Balance at beginning of year</b>		37,767,165	28,709,175
Total Comprehensive Income for the year		5,398,994	9,057,990
<b>Balance at end of year</b>		<u>43,166,159</u>	<u>37,767,165</u>

The notes on pages 51 to 59 are an integral part of these financial statements.





# STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year Ended 30 September 2011 \$	2010 \$
<b>Operating Activities</b>			
Surplus before taxation		5,404,520	9,068,355
Adjustment to reconcile surplus to net cash from operating activities:			
Depreciation		2,299,822	1,445,178
Release of deferred government subvention		(1,354,167)	–
Loss on disposal of property, plant and equipment		512,033	18,942
Net change in operating assets and liabilities	14	(1,893,962)	275,820
		4,968,246	10,808,295
Net tax refunds received		36,839	(46,907)
<b>Net Cash Inflow from Operating Activities</b>		5,005,085	10,761,388
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(662,367)	(5,091,812)
Proceeds from disposals property, plant and equipment		–	17,803
<b>Net Cash Used in Investing Activities</b>		(662,367)	(5,074,009)
<b>Increase In Cash and Cash Equivalents</b>		4,342,718	5,687,379
<b>Cash and Cash Equivalents</b>			
At beginning of year		33,849,787	28,162,408
Increase		4,342,718	5,687,379
End of year		38,192,505	33,849,787
<b>Represented by:</b>			
Cash		38,081,569	23,563,105
Fixed deposits		110,936	10,286,682
		38,192,505	33,849,787

The notes on pages 51 to 59 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 1 GENERAL INFORMATION

The Trinidad & Tobago Securities and Exchange Commission is a body corporate and was established by an Act of Parliament known as the Securities Industries Act 1995. The Act provides for the regulation of the securities market and connected matters in Trinidad and Tobago. It also provides for the funds received from government, the fees earned and any other income earned from operations to be applied in defraying expenditure authorised by the Commission.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### Changes in accounting policies and disclosures

(i) *New and amended standards adopted by the Commission*

There are no new and amended standards adopted that were relevant to the Commission's operations during the year.

(ii) *New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 October 2010 but not relevant to the Commission*

- IAS 1 (Amendment), 'Presentation of financial statements'
- IAS 27, 'Statements of Cash flows'
- IFRS 17, 'Leases'
- IFRS 3, Business combinations'
- IAS 27, 'Consolidated and separated financial statements'
- IAS 36, 'Impairment of assets'
- IFRS 2, 'Group cash-settled share-based payment transactions'
- IFRS 5, 'Non-current assets held for sale and discontinued operations'
- IAS 32, 'Classification of rights issue'
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.2 Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements of the Commission are measured using currency of the primary economic environment in which the Commission operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Commission's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### 2.3 Leasehold improvements and equipment

All leasehold improvements and equipment is stated at historical cost less depreciation. Depreciation is calculated on the reducing balance basis unless otherwise stated to write off the cost of each asset to their residual values over their estimated useful life as follows:

Office equipment	–	10% - 25%
Leasehold improvements	–	20% - (Straight line)
Computer equipment	–	25%
Artwork and fixtures and fittings	–	10%
Motor vehicles	–	25%

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing proceeds with carrying amounts and are included in surplus before taxation.

#### 2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, and deposits held at call with banks, with original maturities of three months or less.

#### 2.5 Pension

The Commission has established a defined contribution plan effective March 2005. Contributions are recognised as an expense when due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

*(Expressed in Trinidad and Tobago Dollars)*

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.6 Deferred income taxes

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

#### 2.7 Revenue recognition

Interest income is recognised as it accrues to the Commission.

Fees charged by the Commission are recognised as income when services are provided.

See note 2.10 for Government subventions.

#### 2.8 Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

#### 2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income and expenditure account over the period of the lease.

#### 2.10 Government subventions

Government subventions are made to the Commission in accordance with an annual budget to defray capital and operating expenditure not covered by fees from operations. There are no contingencies attached to the receipt of these subventions.

Government subventions relating to operating expenditure are recognised in the statement of comprehensive income as income representing immediate financial support in the period in which it becomes receivable.

Government subventions relating to property, plant and equipment are included in non-current liabilities as deferred government subventions and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.11 Financial assets

The Commission classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification is determined at initial recognition.

### 3 FINANCIAL RISK MANAGEMENT

The Commission's activities do not expose it to any significant financial risks: market risk (including currency risk, fair value interest rate and price risk), credit risk and liquidity risk.

#### a) Market risk

##### i) Cash flow and fair value interest rate risk

As the Commission has no significant interest bearing assets, the Commission's income and operating cash flows are substantially independent of changes in market interest rates.

#### b) Credit risk

Credit risk arises from cash and deposits with banks and financial institutions. For banks and financial institutions, only those with good standing and with a sound reputation are used.

#### c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Commission's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 1 year equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year \$
<b>At 30 September 2011</b>	
Payables and other accruals	831,318
	<hr/>
	831,318
<b>At 30 September 2010</b>	
Payables and other accruals	
	<hr/>
	2,838,796
	<hr/>
	2,838,796
	<hr/>



# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements \$	Office Equipment \$	Computer Equipment \$	Artwork and Fixtures and Fittings \$	Motor Vehicles \$	Capital Work in Progress \$	Total \$
<b>At 30 September, 2009</b>							
Cost	2,183,496	5,048,475	5,263,266	947,391	415,868	1,616,793	15,475,289
Accumulated depreciation	(1,485,946)	(3,115,442)	(3,567,736)	(427,893)	(167,088)	–	(8,764,105)
Net book amount	697,550	1,933,033	1,695,530	519,498	248,780	1,616,793	6,711,184
<b>Year ended 30 September, 2010</b>							
Opening net book amount	697,550	1,933,033	1,695,530	519,498	248,780	1,616,793	6,711,184
Additions	–	125,873	173,173	–	–	4,792,766	5,091,812
Disposals	–	–	(36,742)	–	–	–	(36,742)
Depreciation	(436,699)	(465,922)	(428,206)	(52,156)	(62,195)	–	(1,445,178)
Closing net book amount	260,851	1,592,984	1,403,755	467,342	186,585	6,409,559	10,321,076
<b>At 30 September, 2010</b>							
Cost	2,183,496	5,174,348	5,231,846	947,391	415,868	6,409,559	20,362,508
Accumulated depreciation	(1,922,645)	(3,581,364)	(3,828,091)	(480,049)	(229,283)	–	(10,041,431)
Net book amount	260,851	1,592,984	1,403,755	467,342	186,585	6,409,559	10,321,076
<b>Year ended 30 September, 2011</b>							
Opening net book amount	260,851	1,592,984	1,403,755	467,342	186,585	6,409,559	10,321,076
Additions	2,933	4,623	654,811	–	–	–	662,367
Transfer	–	–	6,409,559	–	–	(6,409,559)	–
Disposals/adjustments	(94,889)	(196,154)	4,908	(224,101)	(1,797)	–	(512,033)
Depreciation	(70,484)	(349,230)	(1,809,587)	(24,324)	(46,197)	–	(2,299,822)
Closing net book amount	98,411	1,052,223	6,663,446	218,917	138,591	–	8,171,588
<b>At 30 September, 2011</b>							
Cost	879,223	4,816,561	11,759,223	368,389	415,868	–	18,239,264
Accumulated depreciation	(780,812)	(3,764,338)	(5,095,777)	(149,472)	(277,277)	–	(10,067,676)
Net book amount	98,411	1,052,223	6,663,446	218,917	138,591	–	8,171,588

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

<b>5</b>	<b>PREPAYMENTS AND OTHER RECEIVABLES</b>	<b>2011</b>	<b>2010</b>
		\$	\$
	<b>Non-Current</b>		
	Rental deposit	179,438	179,438
	<b>Current</b>		
	Prepayments	524,554	248,009
	Receivables from GOTT – Ministry of Finance	1,968,074	2,358,135
		2,492,628	2,606,144
		2,672,066	2,785,582
<b>6</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash at bank and on hand	38,081,569	23,563,105
	Short-term bank deposits	110,936	10,286,682
		38,192,505	33,849,787
	The effective interest rate on short-term deposits was 0.25% (2010: 1.13%).		
	These deposits have an average maturity of 90 days.		
<b>7</b>	<b>DEFERRED GOVERNMENT SUBVENTION</b>		
	Balance at beginning of year	6,500,000	6,500,000
	Amounts transferred to the statement of comprehensive income	(1,354,167)	–
	Balance at end of year	5,145,833	6,500,000
	The deferred government subvention received during the 2009 financial period relates to funds allocated towards the Commission's Server Consolidation Project which was completed during the current financial year.		
<b>8</b>	<b>PAYABLES AND OTHER ACCRUALS</b>	<b>2011</b>	<b>2010</b>
		\$	\$
	Due to GOTT – Comptroller of Accounts	580,000	2,112,143
	Payables and accrued expenses	251,318	726,653
		831,318	2,838,796

# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 9 EXPENSES BY NATURE

	2011 \$	2010 \$
Employee salaries & benefit expense (Note 11)	10,086,349	9,052,305
Rent/property expenses	4,379,617	4,117,196
Legal, professional and consultancy fees	2,018,353	2,207,218
Other expenses	2,074,821	1,600,632
Depreciation	2,299,822	1,445,178
Training & seminars	1,544,589	1,164,756
Public education & advertising	515,289	651,333
Utilities	422,909	607,418
Office supplies	290,650	463,470
Motor vehicle expenses	512,223	427,846
Managed funds study	—	380,052
Telephone	356,381	260,965
Commissioners' fees	302,659	227,354
Library & subscriptions expenses	388,909	205,207
Computer related expenses	1,090,822	92,179
Printing and reproduction	96,571	101,080
HRIS and balanced scorecard	—	37,950
Withholding tax	—	5,130
Total expenses	26,379,964	23,047,269

### 10 TAXATION

Business levy	— prior year	(10,112)	(6,056)
	— current year	11,476	12,965
Green fund levy	— prior year	(1,576)	(3,027)
	— current year	5,738	6,483
		5,526	10,365

(a) The Commission's effective tax rate varies from the statutory rate as a result of the differences shown below:

	2011 \$	2010 \$
Surplus before taxation	5,404,520	9,068,355
Corporation tax at the statutory rate of 25%	1,351,130	2,267,088
Expenses reimbursed by the government subventions	4,988,404	4,072,445
Government subventions not subject to taxation	(6,339,534)	(6,339,533)
Business levy	1,364	6,909
Green fund levy	4,162	3,456
	5,526	10,365



# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

### 10 TAXATION (continued)

- (b) The Commission is required to pay Business Levy at 0.20% of total revenue. Business Levy only takes effect when it exceeds the current corporation tax liability.
- (c) The Commission has tax losses of approximately \$83,348 (2010 - \$83,348) available for set off against future taxable profits. These losses have not yet been approved by the Board of Inland Revenue.

No deferred tax asset relating to these losses has been recognised due to uncertain timing of their recovery.

### 11 EMPLOYEE SALARIES AND BENEFIT EXPENSE

	2011	2010
	\$	\$
Salaries, national insurance and other staff expenses	9,205,611	8,195,358
Pension costs	880,738	856,947
	<u>10,086,349</u>	<u>9,052,305</u>
Average number of employees	<u>50</u>	<u>47</u>

### 12 CAPITAL AND OPERATING LEASE COMMITMENTS

#### Operating lease commitments

The future minimum lease payments relating to the rental of premises and vehicles are as follows:

Not later than 1 year	213,900	3,376,717
Later than 1 year and not later than 5 years	178,250	114,851
	<u>392,150</u>	<u>3,491,568</u>

#### Capital commitments

There are no capital expenditure contracted for at the financial position date (2010: Nil).

### 13 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

#### Loans and receivables

Cash and cash equivalents	38,192,505	33,849,787
Prepayments and other receivables	2,672,066	2,785,582
	<u>40,864,571</u>	<u>36,635,369</u>

#### Other financial liabilities

Payables and other accruals	<u>831,318</u>	<u>2,838,796</u>
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# NOTES TO THE FINANCIAL STATEMENT

## 30TH SEPTEMBER 2011

(Expressed in Trinidad and Tobago Dollars)

14	NET CHANGES IN OPERATING ASSETS AND LIABILITIES	2011 \$	2010 \$
	Decrease/(increase) in prepayments and other receivables	113,516	(1,848,189)
	(Decrease)/increase in payables and other accruals	(2,007,478)	2,124,009
		<u>(1,893,962)</u>	<u>275,820</u>
15	RELATED PARTY TRANSACTIONS		
	The following transactions and balances were carried out with related parties:		
(i)	Government subvention	<u>26,712,302</u>	<u>25,358,135</u>
(ii)	Key management compensation	<u>2,632,279</u>	<u>2,211,381</u>
(iii)	Receivable from GOTT – Ministry of Finance	<u>1,968,074</u>	<u>2,358,135</u>
(iv)	Payable to GOTT – Comptroller of Accounts	<u>(580,000)</u>	<u>(2,112,143)</u>





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