



## **Building Confidence through Enforcement**

The Trinidad and Tobago Securities and Exchange Commission (TTSEC) is responsible for the regulation of the local securities industry. There are several components to regulation, all of which need to be addressed in an efficient and competent manner to ensure the orderly growth and development of the securities industry.

The success and stability of the securities market is largely dependent on confidence in the industry. Investors, market participants and all other stakeholders should feel a sense of confidence that the market is effective and fair such that everyone's interests are adequately protected.

The TTSEC is a member of the International Organisation of Securities Commissions (IOSCO) - the international body that brings together the world's securities regulators and the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognised standards and principles for securities regulation. In so doing, IOSCO has identified *investor protection* as one of its key principal objectives and underscores the importance of *enforcement* in ensuring investor protection.

This objective aims to:

*“enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries”.*<sup>1</sup>

Enforcement<sup>2</sup> is a key function of the TTSEC's mandate that aids in preserving confidence in the securities industry. Enforcement may take the form of, inter alia, the conduct of formal and informal investigations, settlement discussions and hearings as a result of any alleged and/or suspected contraventions of the Securities Act, Chapter 83:02 (SA), and the application of administrative sanctions where persons have been found to be in breach. Section 7 (1) (h) and (j) of the SA, outlines the functions of the TTSEC in this particular regard, which includes the responsibility to take *“enforcement action against any person for failing to comply with the Act”*; and to *“formulate, prepare and publish notices, guidelines, bulletins and policies describing the views of the Commission regarding the interpretation, application, or enforcement of this Act”*.

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<sup>1</sup> [https://www.iosco.org/about/?subsection=about\\_iosco](https://www.iosco.org/about/?subsection=about_iosco)

<sup>2</sup> Enforcement is any action taken in relation to suspected contraventions of the securities laws and for which sanction are provided for under the Securities Act may be applied.

Contraventions of the SA can include a failure to adhere to registration or disclosure requirements, improper market practices, market manipulative conduct, insider trading, and non-compliance with the laws and regulations in relation to the prevention of Money Laundering and Combatting the Financing of Terrorism (AML/CFT).

While the SA gives the TTSEC the authority to pursue investigations and impose sanctions, or seek the appropriate remedy, enforcement cannot be truly effective without the co-operation of investors, other market actors and the public. Anyone may lodge a complaint with the TTSEC where it is suspected that a person has committed, is committing or is about to commit a breach of the SA.

There are a number of ways in which the TTSEC can be made aware of breaches of the SA.

Breached may be uncovered:

- During on-site inspections;
- During the conduct of routine surveillance/monitoring of market activity;
- As a result of referrals from Self-Regulatory Organisations or other regulatory agencies, both domestic and foreign; and
- From tips and complaints received from the media, members of the public, affected or injured persons or organisations.

Once a breach of the SA has occurred, there is a wide range of sanctions that the TTSEC may impose. These sanctions may include, inter alia, issuing orders to cease trading, imposing restrictions on operations in the industry, referring matters to the Director of Public Prosecutions and imposing administrative fines. The TTSEC also has the power to conduct hearings during which a person, who is alleged to have breached the SA, is allowed the opportunity to make representations to the Hearing Panel. Complaints can be filed against any person or entity, whether or not said person or entity is registered with the TTSEC. Complaints can be made in person, by correspondence, electronically via the fillable complaint form on our website, <http://ttsec.org.tt/about-us/investor-complaints/> and our recently launched Investor Protection Mobile Application.

During the period October 2019-July 2021, the TTSEC through enforcement action, has collected (inclusive of pending payments) administrative fines/financial penalties in the amount of **\$17,066,900.29**. Administrative fines collected by the TTSEC are remitted to the Comptroller of Accounts in accordance with the SA.

There is a correlation between investor awareness and enforcement and their impact on investor confidence within the securities industry. With this in mind, the TTSEC will continue to strengthen its enforcement action while promoting education and awareness on investing, and the securities industry, as a whole.

We encourage you to play an active role in protecting your investment, by contacting the TTSEC and lodging a complaint where you suspect a person has committed, is committing or about to commit a breach of the SA.

**END**

For more information, please visit our corporate website, [www.ttsec.org.tt](http://www.ttsec.org.tt).  
You may also visit our Investor Education website at [www.investucatett.com](http://www.investucatett.com) or  
connect with us via any of our social media handles:



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