



FEE REVISION: OVERVIEW

This Fee Revision exercise represents a culmination of work in which the Trinidad and Tobago Securities and Exchange Commission (“Commission”) evaluated the impact of the proposed fees on both its operational objectives and on market actors and registrants whom we regulate. The primary objective of this exercise is to allow the Commission to recover the costs associated with regulatory oversight and enhance its ability to effectively meet its regulatory mandate without overburdening market actors and registrants.

The Fee amendments seek to provide the Commission with a strong financial foundation while it discharges its functions under Section 6 of the Securities Act 2012 (“the Act”). It should be noted that the fees found in Schedule 1 of the Securities (General) Bye - Laws (“General Bye-Laws”), and Schedule 1 of the Securities (Collective Investment Schemes) Bye-Laws, 2023 (“CIS Bye-Laws”), relate to the registration and renewal of market registrants (such as Broker Dealers, Investment Advisers, Reporting Issuers, etc.), authorisation fees of mutual funds, as well as fees associated with the Issuance of Securities (such as market access fees and prospectus). The proposed amendment to Schedule 1 of both the General Bye-Laws and the CIS Bye-Laws also includes the introduction of new fees which includes supervisory fees.

The Commission will introduce the increased fees within three phases over a seven (7) year period, as follows:

- Phase 1 will cover a duration of **two (2) years**.
- Phase 2 will cover a duration of **four (4) years**.
- Phase 3 will be implemented by the **seventh (7) year** of the Fee Revision exercise.

The next section will provide a brief outline of the methodology utilised for the Fee Revision exercise.

Methodology

i. Phase 1

The first phase of the fee revision will involve the implementation of the following measures:

- Increasing existing fees for individual and corporate Investment Advisers by **5%** and **10%** respectively.
- Increasing existing fees (except market access) by **210%** based on the current fee structure outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws.
- Increasing market access fees by **20%** to **1.2 bps** based on the current fee outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws.
- The imposition of the following new fees:
 - Shelf registration and limited offering fees.
 - Inspection and examination fees; and
 - New supervisory fees (registrants and CISs).



ii. Phase 2

The second phase of the fee revision will involve the implementation of the following measures:

- Increasing existing fees for individual and corporate Investment Advisers by **10%** and **15%** respectively.
- Increasing all remaining, existing fees by **220%** based on the current fee structure outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws. Including the newly imposed Inspection and Examination fees.
- Increasing market access fees by **25% to 1.25 bps** based on the current fee outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws (which will also be applied to the newly imposed shelf registration and limited offering fees).
- Increasing the newly imposed supervisory fees (Registrants and CISs) by **75%**.

iii. Phase 3

The third phase of fee revision will involve the implementation of the following measures:

- Increasing existing fees for individual and corporate Investment Advisers by **15%** and **20%** respectively.
- Increasing all remaining, existing fees by **275%** based on the current fee structure outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws. Including the newly imposed Inspection and Examination fees.
- Increasing market access fees by **30% to 1.3 bps** based on the current fee outlined in the Fee Schedule of the General Bye-Laws and CIS Bye-Laws (which will also be applied to the newly imposed shelf registration and limited offering fees).
- Increasing supervisory fees (Registrants and CISs) by **90%**.

Impact Analysis

The following table provides an insight on how the Fee Revision may financially impact some registrants on an annual basis the fees include renewals, supervisory and CIS supervisory where applicable.

Registrant Type	Expected Annual Fee		
	Phase 1	Phase 2	Phase 3
Investment Advisor (Corporate)	\$56,500	\$65,500	\$75,250
Broker Dealer	\$87,500	\$97,500	\$112,750
Broker-Dealer - CIS Manager (1 Small CIS)	\$112,500	\$141,250	\$160,250
Broker-Dealer - CIS Manager (1 Medium CIS)	\$162,500	\$228,750	\$255,250
Broker-Dealer - CIS Manager (1 Large CIS)	\$237,500	\$360,000	\$397,750



Jurisdictional Comparison

Table 2A represents a comparison of the Commission and selected jurisdictions as it pertains to covering operational expenses from the fee revenues. As the data shows, the Commission covers approximately 15 percent of its operating expenses from current fee revenues collected, and is ranked among the lowest of all the jurisdictions. This means that the Commission required government funding to cover 85 percent of its operating budget. With the exception of Singapore (18 percent), all the other jurisdictions were able to cover between 70 percent and 100 percent of their respective operating budgets.

Table 2 A - Fee Methodology of Various Regulators

Jurisdiction	% of expenses covered by fees (self-funding)	Fee Methodology (Fixed, Variable or Eclectic)
<i>Sole securities regulators</i>		
Canada	100	Fixed
Sri Lanka	1. 100 in 2019 (with CESS Fund transfer) 2. 1.2 in 2019 (without CESS Fund transfer)	Eclectic
Turkey	77 in 2018	Variable
Malaysia	100 in 2020	Eclectic
FINRA (U.S.)	100 in 2020	Fixed
United Kingdom	100 in 2020	Variable
The Bahamas	80 in 2019	Fixed
Kenya	83 in 2019	Eclectic
Nigeria	75 in 2014	Eclectic
<i>Trinidad and Tobago</i>	<i>15 in 2020</i>	<i>Eclectic</i>
<i>Super Securities Regulators</i>		
Australia	100	Fixed
Singapore	18 in 2020	Fixed
Jamaica	100 in Fiscal 2016	Eclectic
Barbados	100 in 2020	Eclectic
Botswana	72 in 2020	Eclectic

Table 2B provides a comparison of the fee amounts (converted to US currency) charged by the main regional regulators (Barbados, The Bahamas, Jamaica and Trinidad and Tobago) as well as Botswana, which is similar in stature to Trinidad and Tobago. A cursory analysis of the Table shows that a majority of the fee amounts charged by the Commission are lower than other jurisdictions.

Table 2 B - Fee Comparison (Converted to US\$)

Registrant Type	Trinidad and Tobago	Botswana	Jamaica	Barbados	The Bahamas
Reporting issuer registration	\$1,180.05	\$2,325.00	N/A	\$5,000.00	\$10,500.00
Broker dealer registration	\$3,687.64	\$2,325.00	\$10,473.82	\$1,500.00	\$13,075.00
Broker dealer/underwriter registration	\$4,425.17	\$2,325.00	\$3,854.46	\$1,500.00	\$10,500.00



Registrant Type	Trinidad and Tobago	Botswana	Jamaica	Barbados	The Bahamas
Underwriter registration	\$2,950.11	\$2,325.00	N/A	\$6,250.00	\$5,500.00
Investment advisor – Corporation registration	\$2,212.59	\$1,116.00	\$725	\$1,500.00	\$7,985.00
Investment advisor – Individual registration	\$1,475.06	\$1,116.00	\$1,500.00	\$6,982.54	\$7,000.00
Registered representative - per individual	\$295.01	N/A	\$123.34	\$1,500.00	\$450.00
Sponsored broker dealer or investment advisor	\$737.53	N/A	N/A	N/A	N/A
Substantial shareholder - per shareholder	\$147.51	N/A	N/A	N/A	N/A
Branch office - per office	\$442.52	N/A	N/A	N/A	N/A
Self-Regulatory Organisation (SRO)– Initial Registration	\$7,375.28	\$8,928.00	N/A	\$25,500.00 for Stock Exchange. \$5,500 for Securities Depository	\$16,875.00
SRO – Renewal	The higher of \$4,425.17 or 0.02% of the profits of SRO	\$8,928.00	5% of revenue	The higher of \$25,000 or 0.02% of value of transactions in the previous year for Stock Exchange. \$5,000 for Securities Depository	\$12,500.00
SRO – Stock Exchange – Initial Registration	\$7,375.28	\$9,300.00	N/A	\$5,000.00	\$28,750.00
SRO – Stock Exchange – Renewal	0.02% of value of transactions	\$9,300.00	0.08% of the total value of transactions	0.02% of value of transactions Min. fee \$25,000	\$16,875.00
Filing of a Distribution Statement	\$147.51	N/A	N/A	0.02% of value of transactions Min. fee \$25,000	\$1,500.00
Market Access Fees for Securities (including closed-end CISs)	0.01% of the value of funds raised subject to a minimum of \$147.51	N/A	Issuer fee of \$0.06 for every \$770.89 in value of commercial paper issued	Portfolio Management Business: 0.01% of total AUM, subject to a minimum annual fee of \$1,250	N/A
Market Access Fees for open-ended funds	0.01% of the value of funds raised in previous year	\$1,116	\$1,000.00	0.01% of AUM, subject to a minimum annual fee of \$3,750 and a maximum of \$12,500	N/A



Registrant Type	Trinidad and Tobago	Botswana	Jamaica	Barbados	The Bahamas
Filing of Prospectus	\$2,581.35	N/A	N/A	\$2,500.00	0.1% of issue value of securities minimum of \$25,000.00
Filing of Information Memorandum	\$1,475.06	N/A	N/A	\$750.00	\$1,500.00
Filing of takeover bid-circular or Issuer Bid Circular	\$2,212.59	N/A	N/A	\$2,250.00	0.1% of value of bid
Filing of a Notice of Change or Notice of Variation under the Take-Over Bye-Laws	\$147.51	N/A	N/A	\$125.00	\$300.00
Inspection of and Extracts of Register	Nominal fee of \$14.75 per visit plus \$0.44 p/page copied	N/A	N/A	\$25.00	N/A
Application for de-listing a security from an SRO that is a Securities Exchange	\$147.51	N/A	N/A	\$375.00	N/A
Application for Delisting as a Reporting Issuer	\$147.51	N/A	N/A	\$250.00	N/A

Notes:

1. Fixed rate methodologies refer to the use of flat rates in determining the fees paid by registrants to the pertinent regulatory agency. Variable rate methodologies involve the fee that is prorated based on certain estimation bases (e.g., a collective investment scheme manager must pay market access fees equivalent to 0.01% of a fund's assets under management). Eclectic means that a regulatory agency uses both fixed and variable rate methodologies.
2. A sole regulator is a regulatory entity mandated by the Government to oversee the regulation of a single sector within a particular jurisdiction.
3. A super regulator or multi-sector regulator is an entity mandated by their respective Government to oversee the regulation of more than one sector within a particular jurisdiction. For example, the Financial Services Commission of Jamaica is responsible for the regulation of the insurance, securities and pension sectors.
4. Most of the income, (which when included covers total expenses), of the Monetary Authority of Singapore comes from foreign operations in the form of interest, dividends, profit/loss on disposal of investments, foreign exchange gain/loss and write-back of/additional provision.
5. To achieve financial independence, the Financial Service Commission of Barbados revised and implemented a new fee structure effective 1 April 2019, applicable for all regulated entities in accordance with Section 44 (1) of the Financial Services Commission Act, 2010-21. The new fee structure resulted in an increase the fees charged.

Table 2C below provides a further comparison of the fees in Trinidad and Tobago against Botswana Jamaica, Barbados an The Bahamas.



Table 2C - Jurisdictional Fee Comparison (Converted to USD)

Registrant Type	Trinidad and Tobago				Botswana	Jamaica	Barbados	The Bahamas
	Current	Revised Fee (Phase 1)	Revised Fee (Phase 2)	Revised Fee (Phase 3)				
Reporting issuer registration	\$1,179.94	\$3,657.82	\$3,775.81	\$4,424.78	\$2,325.00	N/A	\$5,000.00	\$10,500.00
Broker dealer registration	\$3,687.32	\$11,430.68	\$11,799.41	\$13,827.43	\$2,325.00	\$10,473.82	\$1,500.00	\$10,500.00
Broker dealer/underwriter registration	\$4,424.78	\$13,716.81	\$14,159.29	\$16,592.92	\$2,325.00	\$3,854.46	\$1,500.00	\$10,500.00
Underwriter registration	\$2,949.85	\$9,144.54	\$9,439.53	\$11,061.95	\$2,325.00		\$6,250.00	\$5,500.00
Investment advisor – Corporation registration	\$2,212.39	\$6,858.41	\$7,079.65	\$8,296.46	\$1,116.00	\$725.00	\$1,500.00	\$7,000.00
Investment advisor – Individual registration	\$1,474.93	\$4,572.27	\$4,719.76	\$5,530.97	\$1,116.00	\$1,500.00	\$6,982.54	\$7,000.00
Registered representative - per individual	\$294.99	\$914.45	\$943.95	\$1,106.19	N/A	\$123.34	\$1,500.00	\$450.00
Sponsored broker dealer or investment advisor	\$737.46	\$2,286.14	\$2,359.88	\$2,765.49	N/A	N/A	N/A	N/A
Substantial shareholder - per shareholder	\$147.49	\$457.23	\$471.98	\$553.10	N/A	N/A	N/A	N/A
Branch office - per office	\$442.48	\$1,371.68	\$1,415.93	\$1,659.29	N/A	N/A	N/A	N/A
SRO – Initial Registration	\$7,374.63	\$22,861.36	\$23,598.82	\$27,654.87	\$8,928.00	N/A	\$5,000.00	\$13,500.00
SRO - Renewal	The higher of \$4,424.78 or 0.02% of the profits of the Self-Regulatory Organisation in the prior financial year	\$13,716.81	\$14,159.29	\$16,592.92	\$8,928.00	5% of revenue	\$5,000.00	\$10,000.00
		0.062%	0.064%	0.075%				
SRO – Stock Exchange – Initial Registration	\$7,374.63	\$22,861.36	\$23,598.82	\$27,654.87	\$9,300.00	N/A	\$5,000.00	\$23,000.00
SRO – Stock Exchange - Renewal	0.02% of value of transactions in each year based on audited financial statements	0.062%	0.064%	0.075%	\$9,300.00	0.08% of the total value of transactions	0.02% of value of transactions Min. fee \$25,000	\$13,500.00



Table 2C - Jurisdictional Fee Comparison (Converted to USD)

Registrant Type	Trinidad and Tobago				Botswana	Jamaica	Barbados	The Bahamas
	Current	Revised Fee (Phase 1)	Revised Fee (Phase 2)	Revised Fee (Phase 3)				
Filing of a Distribution Statement	\$147.49	\$457.23	\$471.98	\$553.10	N/A	N/A	0.02% of value of transactions Min. fee \$25,000	\$1,500.00
Market Access Fees for Securities (including closed-end CISs)	0.01%	0.0120%	0.0125%	0.0130%	N/A	Issuer fee of \$0.06 for every \$770.89 in value of commercial paper issued	N/A	N/A
Market Access Fees for open-ended funds	Market Access Fees based on the value of funds raised in previous year (based on Audited accounts) (Excluding the SME Market)	0.0120%	0.0125%	0.0130%	\$1,116.00	\$1,000.00	0.01% of AUM	N/A
Filing of Prospectus	\$2,581.12	\$8,001.47	\$8,259.59	\$9,679.20	N/A	N/A	\$2,500.00	\$20,000.00
Filing of Prospectus (SME)	N/A	\$2,581.12	\$2,581.12	\$2,581.12	N/A	N/A	N/A	N/A
Filing of Information Memorandum	\$1,474.93	\$4,558.82	\$4,705.88	\$5,514.71	N/A	N/A	\$750.00	\$1,500.00
Filing of Information Memorandum (SME)	N/A	\$1,474.93	\$1,474.93	\$1,474.93	N/A	N/A	N/A	N/A
Filing of takeover bid-circular or Issuer Bid Circular	\$2,212.39	\$6,858.41	\$7,079.65	\$8,296.46	N/A	N/A	\$2,250.00	0.1% of value of bid
Filing of a Notice of Change or Notice of Variation under the Take-Over Bye-laws	\$147.49	\$457.23	\$471.98	\$553.10	N/A	N/A	\$125.00	\$300.00



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Registrant Type	Trinidad and Tobago				Botswana	Jamaica	Barbados	The Bahamas
	Current	Revised Fee (Phase 1)	Revised Fee (Phase 2)	Revised Fee (Phase 3)				
Inspection of and Extracts of Register	Nominal fee of \$14.75 per visit plus \$0.44 p/page copied	Nominal fee of \$14.75 per visit plus \$0.44 p/page copied	Nominal fee of \$14.75 per visit plus \$0.44 p/page copied	Nominal fee of \$14.75 per visit plus \$0.44 p/page copied	N/A	N/A	\$25.00	N/A
Application for de-listing a security from an SRO that is a Securities Exchange	\$147.49	\$457.23	\$471.98	\$553.10	N/A	N/A	\$375.00	N/A
Application for Delisting as a Reporting Issuer	\$147.49	\$457.23	\$471.98	\$553.10	N/A	\$250.00	N/A	N/A