



The Importance of Disclosure Filings to Investors

The Trinidad and Tobago Securities and Exchange Commission (TTSEC) was established as a body corporate, by virtue of the Securities Industry Act of 1995 (“SIA 1995”) which was repealed and replaced by the Securities Act, 2012 (“SA 2012”). The TTSEC is an autonomous agency whose primary roles are the protection of investors and fostering the orderly growth/development of the local capital market. In order to facilitate this, market participants are required to submit particular disclosure filings via the approved forms and within the prescribed timeframes in accordance with the SA 2012 and the Securities (General) By-laws, 2015 (“the General By-laws”). This type of regulation is referred to as a ***disclosure-based approach***. The information disclosed in these documents aids in the TTSEC’s monitoring and evaluation of activities and offerings within the securities market. Such oversight allows the cultivation of a fair, efficient and transparent securities market and the mitigation of systemic risk. These disclosure filings also assist investors and professionals make informed investment decisions.

Currently, applications and disclosure filings are submitted via a manual process through the use of approved forms which can be downloaded by way of the TTSEC’s website: www.ttsec.org. The below outlines some disclosure filings of market actors and their importance to investors.

FORM 6 - NOTIFICATION - Pursuant to Section 56(4) of the SA 2012 and By-Law 53 of the General By-laws

Registrants registered under Section 51(1) and Reporting Issuers registered under Section 61(1) of the SA 2012 are required to file with the TTSEC, the occurrence of any prescribed event within the specified period outlined under By-Law 53 of the General By-laws. These prescribed events for a Registrant and a Reporting Issuer are respectively outlined under List A and List B of the Schedule 3 of the General By-laws. Some of these prescribed events include the hiring, resignation or dismissal of a senior officer, designated officer or registered representative; any development that poses material risks to the entity’s operations; intentions of winding up and the entity’s inability to submit financial statements by the prescribed deadline. The Form 6 provides the timely notification of a prescribed event in a company. Upon the receipt of the notice, the TTSEC will take any appropriate action to safeguard investors’ interests.

FORM 8 - REGISTRATION AND REVISED REGISTRATION STATEMENTS – FOR REPORTING ISSUERS - Pursuant to Section 61(1) OR 61(2) of the SA 2012 and By-law 25(1) of the General By-Laws

In accordance with Section 61(1) of the SA 2012, any entity which proposes to make a distribution of securities within Trinidad and Tobago is required to first register with the TTSEC as a Reporting Issuer. In addition, the securities being distributed are generally required

to be registered. As such, most securities offered to members of the public require a prospectus. The prospectus provides investors with the requisite information to make an informed investment decision concerning the security being offered. Thereafter, according to Section 61(2) of the SA 2012, the Reporting Issuer is required to annually update its registration statement and file a revised registration statement within fourteen (14) days of its financial year end.

The revised registration statement provides a description of the entity's business activities; details of the securities the Reporting Issuer has issued and which remains outstanding; information of Reporting Issuer's Board of Directors and copies of the most recent audited financial statements. Through this requirement, the TTSEC safeguards investors by ensuring the legitimacy of the entity and its offerings and continuously having oversight of the issuer during the duration of its securities.

FORM 10A - MATERIAL CHANGE REPORT - *Pursuant to Section 64 of the SA 2012*

A material change, or material fact as defined in accordance with Section 4 of the SA 2012, "when used in relation to the affairs of an issuer or its securities, is a fact or series of facts, the disclosure of which would be considered important to a reasonable investor in making investment decisions." Section 64 of the SA 2012 states that where a material change occurs, a Reporting Issuer registered under Section 61(1) of the SA 2012 is required within three (3) days of the occurrence of the material change to file a Form 10A with the TTSEC indicating the nature of the change. Within seven (7) days of the occurrence of the material change, the Reporting Issuer is required to publish a notice, in such form as the TTSEC may require, in two (2) daily newspapers in general circulation in Trinidad and Tobago or as determined by the TTSEC. The Form 10A is meant to apprise the investing public of the occurrence of a material change or fact. This disclosure is important as it provides timely information that can affect the investment decision of an investor. However, the publication of the notice of a material change or fact may not apply where the Reporting Issuer is of the opinion that the information would be unduly detrimental to its interests or be unwarranted. In these instances, the Reporting Issuer requests a waiver of the need to publish and the TTSEC reviews the request to determine the most appropriate action to be taken.

FORM 11 - FINANCIAL STATEMENT CERTIFICATION - *Pursuant to Sections 65(1) and 66(1) of the SA 2012 and By-law 3 of the General By-Laws*

According to Sections 65(1) and 66(1) of the SA 2012, a Reporting Issuer is required to file annual comparative and interim (quarterly) financial statements within specified timeframes. Such filings must be accompanied by the Form 11. This form certifies that the respective financial statements submitted to the TTSEC do not contain untrue statements of a material fact or omission of a material fact required to be stated to ensure that the statement is not misleading and it provides the fair presentation of the entity's performance. While the Form 11 is important, the financial statements enclosed under this form provide investors with information of the entity's financial condition and performance. Such information can be used to conduct further financial analysis of the entity. Investors require the timely disclosure of financial statements to decide whether to buy, sell or hold an entity's securities. In accordance with Section 67(1), every financial statement which is required to be filed with the TTSEC pursuant to Sections 65 and 66, shall be sent concurrently to each holder of the entity's securities, other than debt securities, to the address as shown on the securities register of the

Reporting Issuer. Further, Section 68 outlines the different methods in which the financial statements of Reporting Issuers can be distributed. Some methods include: electronic mail; the publication of the document in two (2) daily newspapers of general circulation in Trinidad and Tobago and the posting of the document to the Reporting Issuer's website, inclusive of, publishing a notice in two (2) daily newspapers of general circulation in Trinidad and Tobago, notifying security holders of its availability.

FORM 23 - CONFLICT OF INTEREST RULES STATEMENT - Pursuant to By-law 67 of the General By-laws

A conflict of interest arises when an agent acting on behalf of his or her client may have competing interests, which can compromise the agent's judgment in acting in the client's best interest. According to By-law 67 of the General By-laws, every Registrant under Section 51(1) of the SA 2012 is required to prepare, and file annually with the TTSEC, a conflict of interest rules statement at the time it files its audited financial statements. The TTSEC aims to monitor conflicts of interest to ensure that investors are treated fairly.

The disclosure-based approach to regulation has allowed investors to obtain timely information needed to make more informed investment decisions. Greater knowledge of a company or its securities boost investor confidence. The TTSEC uses this disclosure-based approach to promote transparency in entities' operations; bridge information asymmetry in the securities market and protect investors from fraudulent activities. Failure to submit disclosure filings to the TTSEC; as specified by the SA 2012 and the General By-laws, will be considered a contravention under the SA 2012, where market actors may be penalised accordingly.

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



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