

LEGAL NOTICE NO. 71

REPUBLIC OF TRINIDAD AND TOBAGO

THE SECURITIES ACT, CHAP. 83:02

BYE-LAWS

MADE BY THE MINISTER UNDER SECTION 148 OF THE SECURITIES ACT
AND SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT

THE SECURITIES (COLLECTIVE INVESTMENT SCHEMES)
BYE-LAWS, 2023

1. These Bye-laws may be cited as the Securities (Collective Investment Schemes) Bye-laws, 2023. Citation
2. In these Bye-laws— Interpretation
 - (a) “the Act” means the Securities Act, Chapter 83:02; and Chap. 83:02
 - (b) “the General Bye-laws” means the Securities (General) Bye-laws, 2015.
3. The fees payable under these Bye-laws are those set forth in Schedule I of these Bye-laws. Fees schedule
4. The requirements set out in these Bye-laws apply in addition to any other requirements contained in the Act, any other Bye-laws, or any other Guidelines. Relationship to Act; Bye-laws
5. For the purposes of these Bye-laws— Definition

“central securities depository” means an entity operated by a central bank or licensed by a regulatory authority—

 - (a) to establish and operate a system for the central handling of securities—
 - (i) whereby all such securities are deposited with and held in custody by, or registered in the name of, the central depository or its nominee company for the holders of securities accounts, and dealings in respect of those securities are effected by means of entries in securities accounts without the physical delivery of certificates; or
 - (ii) which permits or facilitates the settlement or registration of securities transactions or dealings in securities without the physical necessity of certificates; and
 - (b) to provide other facilities and services incidental thereto.

“CIS” means a collective investment scheme as defined in the Act;

“CIS manager” or “manager of a collective investment scheme” means a person approved or registered under these Bye-laws to direct the business, operations, or affairs of the CIS, consistent with Part IV of these Bye-laws;

“closed-end CIS” means a CIS that is not in continuous distribution and the constituent documents of which provide that it is not redeemable prior to its final termination date;

“constituent documents” mean the principal documents governing the formation and operation of the CIS, and these include—

- (a) the Trust Deed in the case of a unit trust;
- (b) the Articles of Incorporation/Continuance and Bye-laws in the case of a company; or
- (c) the Memorandum and Articles of Association where applicable; and
- (d) such other agreements as may be necessary for the formation and operation of the CIS;

“custodian” means a person that provides custody or safekeeping of the assets of a CIS but does not include a sub-custodian;

“defensive position” means an investment strategy, taken to avoid investment losses in response to adverse market, economic, political, or any other condition, that may be inconsistent with the CIS’s principal investment policies;

“designated person” means a person appointed under Bye-Law 17(1) of the General Bye-laws;

“distributor” means a person, in relation to a CIS, who performs the functions set out in Bye-law 56;

“fundamental investment objectives” means the investment objectives of a CIS that define both the nature of the CIS and the investment features of the CIS that distinguish it from other types of CIS;

“generally accepted auditing standards” means the International Standards on Auditing issued by the International Auditing and Assurance Standards Board, or such other standards as may be recognized by the Commission;

“independent director” means an individual who has no material relationship with the person or entity on whose board they have been appointed;

“Key Facts Statement” means a document prepared in such form as the Commission may determine that provides current and prospective investors in a CIS with concise information, written in plain language, on the key features and risks of the CIS including, but not limited to, past performance (where applicable), costs and a breakdown of investment assets;

“material relationship” means, for the purposes of the definition of independent director, a relationship which could reasonably be perceived to interfere with the exercise of a person’s independent judgment and shall be deemed to include an individual who—

(a) has been an employee of the company within the last three (3) years;

(b) is a current employee of the company;

(c) is a relative of a senior officer of the company;

(d) is a senior officer of—

(i) an affiliate of the company; or

(ii) any person who beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the company, or a combination of both, carrying more than ten (10) percent of the votes attached to all voting securities of the company outstanding;

(e) beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the company, or a combination of both, carrying ten (10) percent or more of the votes attached to all voting securities of the company outstanding; and

(f) has served on the Board of the company for more than nine (9) years from the date of their first election;

“offering document” means a prospectus, Key Facts Statement or any other document, as the case may be, inviting subscriptions or offers to subscribe for or purchase units of the CIS;

“party related to a CIS” includes an administrator, sponsor, custodian, trustee, distributor, investment adviser, CIS manager, third parties to which tasks have been outsourced and any such other person performing or providing a service for a CIS;

“principal distributor” means a broker-dealer licensed under the Act that has entered into an agreement with a regulated foreign CIS to carry out the tasks set out in Part XVII;

“recognized foreign jurisdiction” means a foreign jurisdiction specified by the Commission in accordance with Part XVII;

“recognized foreign jurisdiction concerned” when used in relation to a regulated foreign CIS means the recognized foreign jurisdiction where the CIS is established, formed, or incorporated;

“registrar” means the person responsible for maintaining and updating a record of all unitholders in a CIS;

“regulated foreign CIS” means a CIS that is—

- (a) a trust, partnership, company, or other entity established, formed, or incorporated under the laws of a recognized foreign jurisdiction;
- (b) authorised under the laws of the recognized foreign jurisdiction as a CIS eligible to offer its securities to the public; and
- (c) not prohibited under the laws of the recognized foreign jurisdiction from offering its securities to persons outside that jurisdiction;

“related party” of a company means—

- (a) any person beneficially owning, directly or indirectly, thirty (30) percent or more of the ordinary share capital of that company, or able to exercise directly or indirectly, thirty (30) percent or more of the total votes in that company;
- (b) any person controlled by a person who or which meets one or both of the descriptions given in paragraph (a);
- (c) any associate, partner, director, senior officer, or subsidiary of that company or of any of its related parties as defined in paragraph (a) or (b).

“responsible person” means the entity that is responsible for the governance and oversight of the operations of the CIS, including compliance with the legal and regulatory framework:

- (a) where the CIS is constituted in a trust form the responsible person shall be the trustee;
- (b) where the CIS is constituted in corporate form the responsible person shall be that corporate entity; or
- (c) where the CIS is constituted in a form other than a company or trust, the responsible person shall be an entity appointed by the sponsor;

“restricted broker-dealer” when used in these Bye-Laws, means a broker-dealer registered under the Act and these Bye-laws, the business of which is restricted to acting as a CIS manager;

“self-managed CIS” means a CIS that has not appointed a CIS manager duly registered and approved in accordance with the Act and these Bye-laws and the CIS has been authorised to act as such by the Commission under these Bye-laws;

“soft commission” means any type of commission that is not paid in money;

“special purpose vehicle” means a legal entity created solely to serve a particular function, such as the facilitation of a financial arrangement or creation of a financial instrument;

“sponsor” means a person that, directly or indirectly, takes the initiative in funding, organising, or substantially organising a CIS, and includes a person that contributes the initial capital to the CIS or submits the offering document(s) in respect of that CIS;

“sub-custodian” means a person appointed by a custodian by way of written agreement to safe keep or hold custody of CIS assets on behalf of that custodian;

“trustee” in relation to a CIS organised as a trust, means the person responsible for the oversight of the trust;

“unit” means the right or interest, however, described, of an investor in a CIS and includes an equity interest or a share in a CIS constituted in corporate form;

“unitholder” means a person who owns a unit of a CIS.

PART II

GENERAL

- Fiduciary Duty
6. A party related to a CIS and its' senior officers, employees and delegates shall—
- (a) act honestly and exercise the degree of care and diligence that a reasonably prudent person would exercise in the performance of its functions;
 - (b) exercise at least the same degree of care as it exercises with respect to its own property of a similar kind if this is a higher degree of care than that referred to in paragraph (a);
 - (c) act in the best interests of clients and, if there is a conflict between interests of clients and its own interests, or interests of a related party or of an affiliated person, give priority to the interests of clients;
 - (d) not make use of information acquired through being a party related to the CIS to—
 - (i) gain an advantage for itself or any other person; or
 - (ii) cause detriment to unitholders of the CIS;
 - (e) not make use of its position with respect to the CIS to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to unitholders of the CIS; and
 - (f) comply with any other duty or obligation as may be prescribed under its offering documents, constituent documents, the Act, the General Bye-laws, these Bye-laws, and any other relevant law.
- Directors of a CIS manager and responsible person
7. (1) The Board of directors of the CIS manager and the Board of Directors of the responsible person shall—
- (a) include at least two (2) independent directors; and
 - (b) consist of no less than one-third of independent directors at all times.
- (2) The directors of the CIS manager and the responsible person shall be fit and proper and possess the necessary experience for the performance of their duties.
- Provision of information
8. Each party related to a CIS in the exercise of its functions, shall submit or make available to the Commission any statement, document, book, record, and other information relating to the CIS or the business of that party that relates to the CIS as may be requested by the Commission from time to time in the performance of its functions under the Act.

PART III

ESTABLISHMENT OF A COLLECTIVE INVESTMENT

9. (1) No units of a CIS shall be distributed without prior authorisation of the CIS from the Commission in accordance with these Bye-laws. Authorisation requirements for a CIS

(2) Subject to Bye-law 12(3), the authorisation of a CIS shall be valid for a period not exceeding one hundred and twenty (120) days of the end of the financial year of the CIS.

10. (1) For every application for authorisation of a CIS, the sponsor shall submit the following: Application for authorisation as a CIS

- (a) an application for registration of the CIS in accordance with section 61(1) of the Act;
- (b) an application for registration of the units of the CIS in accordance with section 62(2) of the Act;
- (c) a prospectus prepared in accordance with Schedule II or in such other form as the Commission may determine;
- (d) a Key Facts Statement in such form as the Commission may determine;
- (e) documentary evidence of the appointment of the following persons, who shall meet the requirements of these Bye-laws and have been approved by the Commission:
 - (i) a CIS manager that is duly registered in accordance with the Act and these Bye-laws;
 - (ii) a custodian;
 - (iii) a responsible person;
 - (iv) an administrator/registrar; and
 - (v) a distributor;
- (f) the constituent documents of the CIS;
- (g) documentary evidence demonstrating that either the sponsor or the CIS manager has the capacity to and shall invest an initial capital of at least five million dollars in Trinidad and Tobago dollars, or the equivalent amount in another currency, in the units of the CIS;
- (h) the latest audited financial statements of the CIS, if any, and if more recent, the latest interim financial statements;
- (i) the latest audited financial statement of the CIS manager and the responsible person;
- (j) the prescribed fees;

- (k) a letter identifying a designated person for the CIS manager and the responsible person;
- (l) the service level agreement with a third party for any outsourced functions, where such outsourcing is applicable and permissible under these Bye-laws; and
- (m) any other information as required by the Commission.

(2) Where a person referenced in paragraph (1)(e) is a foreign person, the sponsor shall ensure that the foreign person is domiciled in a jurisdiction whose laws are—

- (a) sufficient to ensure investor protection and market integrity in Trinidad and Tobago; and
- (b) of a standard at least equal to that in Trinidad and Tobago.

(3) For the purposes of satisfying paragraph (2) the sponsor shall consider, in particular, the requirements in the foreign jurisdiction with respect to—

- (a) any obligation to prepare, file with its regulator, and publish offering documents, audited annual financial statements, interim financial statements, and material change disclosure documents;
- (b) whether the person is in good standing with the regulator in the foreign jurisdiction;
- (c) the ongoing supervision of the person by the foreign regulatory authority;
- (d) whether the Commission and the foreign regulator are parties to an information-sharing agreement; and
- (e) such other matters as the Commission deems relevant.

Ongoing
authorisation
requirements

11. (1) A CIS and each party related to the CIS shall continue to meet all eligibility requirements at all times.

(2) If the responsible person or any party related to a CIS becomes aware that the CIS or any party related to the CIS is in breach of any eligibility requirement, it shall give notice of that fact to the Commission within seven (7) days of becoming aware of the alleged breach.

(3) The party related to the CIS that is in breach of any eligibility requirement will take all steps necessary to remedy the breach forthwith.

(4) If the party related to the CIS that is in breach has not rectified the breach within seven (7) days after the notice in paragraph (2) was sent to the Commission, the Commission may take such further action under Bye-law 21 as the Commission deems necessary to remedy the breach.

12. (1) Where an application for authorisation of a CIS—

Application for
authorisation
of a CIS

- (a) is considered by the Commission to be fit and proper; and
- (b) complies with the requirements of Bye-law 10,

the Commission shall approve the authorisation of the CIS and, may in its discretion, impose such terms and conditions as it thinks necessary.

(2) Notwithstanding paragraph (1), the Commission may refuse to authorise a CIS where such authorisation is not in the public interest.

(3) Notwithstanding the provisions of Bye-law 9(2), the authorisation of a CIS shall continue provided that the responsible person files within one hundred and twenty (120) days from the end of each financial year of the CIS the following:

- (a) the relevant market access fees;
- (b) an updated Key Facts Statement subject to the requirements of Bye-law 132;
- (c) the most recent annual report of the CIS as required under Bye-law 132;
- (d) confirmation of the service providers of the CIS and the services they provide to the CIS; and
- (e) such other information as may be determined by the Commission.

(4) If the responsible person fails to file all of the documents required by paragraph (3) by the end of the period stated in that paragraph—

- (a) the CIS's authorisation under these Bye-laws shall be suspended;
- (b) the distribution of units of the CIS shall cease immediately; and
- (c) all other obligations of the CIS and the parties related to the CIS under the offering documents and constituent documents shall continue.

(5) The Commission may rescind the suspension of the distribution and reinstate the authorisation of the CIS, whether on its own determination or upon application by the responsible person, where it is satisfied that the conditions which led to the cessation of the authorisation of the CIS have been addressed by the responsible person.

(6) Notwithstanding the provisions of Bye-law 10(1)(e)(i), the Commission may approve the authorisation of a CIS that has not appointed a CIS manager where the Commission is satisfied that the CIS meets the requirements set out in Part XIX.

Constituent documents

13. (1) The constituent documents of a CIS shall contain such information as the Commission may determine.

(2) Nothing in the constituent documents shall provide that the trustee, custodian, CIS manager, or any senior officer of the CIS shall be—

- (a) exempted from any liability to unitholders or the CIS imposed under the Act, the General Bye-laws, these Bye-laws or the law of the place of domicile of the CIS;
- (b) exempted from liability for any breaches of trust through fraud or negligence; or
- (c) indemnified against any such liability by unitholders or at unitholders' expense.

(3) If there is any inconsistency between any provision in a constituent document of the CIS and any provision of the Act, General Bye-laws, or these Bye-laws, the relevant provision in the Act, General Bye-laws, or these Bye-laws shall govern.

Offering documents

14. (1) A CIS sponsor shall obtain a receipt for a prospectus of a CIS pursuant to section 82 of the Act.

(2) A CIS prospectus shall contain full and true disclosure in plain language of all material facts concerning the CIS and the securities to be distributed and shall be in such format and updated as frequently as the Commission may determine.

(3) Documents shall be incorporated by reference into, and form part of, a prospectus for a CIS.

(4) Documents incorporated by reference shall include, where applicable the following:

- (a) the most recent Key Facts Statement of the CIS;
- (b) the most recently filed comparative annual financial statements of the CIS, together with the accompanying report of the auditor;
- (c) the most recently filed interim financial statements of the CIS;
- (d) the most recently filed annual report of the CIS;
- (e) the most recently filed quarterly portfolio statement; and
- (f) such other documents as the Commission may determine from time to time.

(5) For a newly established CIS, the documents listed in paragraphs (4)(b), (c), (d), and (e) shall be incorporated as they are filed with the Commission.

(6) In addition to the reasons set out in section 82 of the Act, the Commission shall not issue a receipt for the prospectus unless it has received evidence documentary evidence from the sponsor of the CIS demonstrating that the initial investment in the CIS required by Bye-law 10(1)(g) has been made and the units of the CIS are beneficially owned by the CIS manager, sponsor or such other person acceptable to the Commission.

15. The costs of incorporation, formation or initial organisation of a CIS, and of the preparation and filing of any of the prospectus, Key Facts Statement, and constituent documents of the CIS shall not be borne by the CIS or its unitholders. Initial costs of incorporation

16. (1) A CIS manager shall comply with such investment restrictions as set out in— Investment restrictions

- (a) the constituent documents of the CIS; and
- (b) Schedule IV of these Bye-laws.

(2) Notwithstanding paragraph (1), the CIS manager shall comply with such other investment restrictions as the Commission may determine from time to time.

(3) A CIS Manager shall implement and maintain appropriate policies and procedures to ensure compliance with the requirements specified in paragraphs (1) and (2).

17. (1) The responsible person shall seek the prior approval of the unitholders of a CIS before any of the following material changes take effect: Material changes requiring unitholder approval

- (a) a change to the fundamental investment objectives of the CIS;
- (b) a change to the responsible person, CIS manager unless the respective successor is an affiliate of the existing entity;
- (c) an increase in fees or expenses charged to the CIS above that which is permitted by the offering documents and constituent documents, including, but not limited to, an increase in management fees; and
- (d) the suspension or termination of the CIS that has not been ordered by the Court, the Commission, or provided for in the constituent documents of the CIS.

(2) Unless a greater majority is required by the constituent documents of the CIS, the laws applicable to the CIS, or any applicable agreement, the approval of the unitholders of the CIS to a matter referred to in paragraph (1)(a) to (c) shall be given by a resolution passed by at least a majority of the votes cast, in person or by proxy, at a meeting of the unitholders of the CIS duly called and held to consider the resolution.

(3) A special resolution of unitholders shall be required to give effect to a matter referred to in paragraph (1)(d).

Amendments
to offering and
constituent
documents of a
CIS

18. (1) Any amendments to a CIS's offering documents or constituent documents shall be made in accordance with such documents, the Act, and these Bye-laws and comply with Bye-law 17 if the change is one of those listed in Bye-law 17(1).

(2) The offering documents and constituent documents may be amended by the responsible person, without consulting the unitholders, provided that the responsible person certifies to the Commission in writing that in its opinion the proposed alteration—

- (a) is necessary to comply with fiscal or other statutory or official requirements;
- (b) does not materially prejudice unitholders' interests;
- (c) does not to any material extent release the responsible person, CIS manager, or any other person from any liability to the unitholders;
- (d) does not increase the costs and charges payable from the CIS' property;
- (e) is necessary to correct a manifest error;
- (f) is necessary to incorporate a material change or material fact, other than one set out in Bye-law 17; or
- (g) the amendment is not material to the operation of the CIS.

(3) Notwithstanding paragraph (2), the Commission may require the responsible person to obtain a resolution of unitholders under Bye-law 17(2) if in the Commission's opinion any modification, alteration, or addition to the offering documents or constituent documents may prejudice the interests of unitholders and such resolution shall be obtained prior to the change becoming effective.

(4) Any amendment to the methodology used to calculate the net asset value per unit of the CIS shall have the prior approval of the Commission unless the change is being made to comply with financial reporting standards.

(5) Where a non-material fact or non-material change occurs with respect to the CIS, including a non-material amendment to a constituent document, the responsible person shall submit the amendment and an updated copy of the constituent documents to the Commission within seven (7) business days prior to any amendments being made effective and a notice disclosing the amendment shall be filed with the Commission and published in the manner prescribed in Bye-law 135 (2)(c).

(6) For the purposes of paragraph (5), the responsible person shall ensure that the amendment is appended to the most recent version of the constituent documents or offering documents of the CIS.

(7) Where a material fact or material change occurs with respect to the CIS, including a material amendment to a constituent document or a change set out in Bye-law 17, an amendment to the prospectus, and to the Key Facts Statement if applicable, shall be filed with the Commission in accordance with section 77 of the Act, and a notice disclosing the amendment shall be filed with the Commission and published in the manner prescribed in Bye-law 135 (2)(c).

(8) If a Key Facts Statement is to be amended, it shall be amended and restated in full.

(9) Section 77(2) of the Act does not apply to an amendment to an offering document by a CIS authorised under these Bye-laws, provided that the amended offering document is filed with the Commission as soon as practicable and in any event within ten (10) days of the receipt of unitholder approval of the change under Bye-law 17 or the date of any other material change, as the case may be.

19. (1) The responsible person, CIS manager, and custodian may not withdraw or retire except upon the appointment of a new responsible person, manager, or custodian and subject to the prior approval of the Commission. Withdrawal or retirement of key parties related to the CIS

(2) The withdrawal or retirement of the responsible person, CIS manager, or custodian shall take effect at the same time as the new responsible person, CIS manager or custodian assumes all the roles and responsibilities outlined in these Bye-laws.

(3) The constituent documents of the CIS shall provide the procedure for a voluntary or involuntary change in key parties related to the CIS.

(4) A CIS manager or custodian who withdraws from business shall ensure that the responsible persons for all affected CISs are promptly notified and that proper arrangements remain in place for the safekeeping of the assets of each CIS.

(5) Where the responsible person, CIS manager, or custodian is being wound up, it shall comply with all applicable written law.

Revocation of
authorisation/
approval of
the
responsible
person, CIS
manager, and
custodian

20. (1) The Commission may, where it considers it to be in the interest of the unitholders of a CIS, issue an order to revoke the authorisation of a responsible person, or custodian or self-managed CIS or the approval of a CIS Manager where—

- (a) it deems that the party has contravened the Act, General Bye-laws, these Bye-laws, and any other laws under the administration of the Commission;
- (b) that party no longer meets all eligibility requirements under these Bye-laws; or
- (c) that party ceases to be fit and proper to carry out its responsibilities to the CIS.

(2) The Commission shall not revoke the authorisation of a responsible person, custodian or self-managed CIS or the approval of a CIS manager under this Bye-law without giving that person an opportunity to be heard.

Commission
may direct
action to be
taken by the
responsible
person, CIS
manager, or
custodian

21. The Commission may, where it considers it to be necessary, direct the responsible person, CIS manager, or custodian to take any action in the interest of unitholders.

PART IV CIS MANAGER

Registration
requirements
for CIS
managers

22. (1) No person shall carry on business or hold himself out as a CIS manager unless the person—

- (a) is registered or deemed to be registered in a category of registration permitted to carry on such activities, or is otherwise exempted from registration in accordance with the Act or these Bye-laws; and
- (b) is deemed to be registered or exempted from registration and has received written notice of the registration from the Commission.

(2) The categories of registration permitted to carry on the business of a CIS manager are—

- (a) broker-dealer registered under the Act and approved to so act under these Bye-laws; and
- (b) restricted broker-dealer, registered under the Act and these Bye-laws.

(3) A broker-dealer registered under the Act may engage in or hold itself out as engaging in the business of a CIS manager provided that the broker-dealer also meets the criteria for registration as a restricted broker-dealer as set out in Bye-law 23 (2)(e) to (k) and has been granted approval under Bye-law 24.

(4) The registration of a restricted broker-dealer shall be valid for a period of one (1) year from the date of registration or such other period as the Commission may determine.

(5) Unless otherwise specified in these Bye-laws, all requirements placed on a broker-dealer in the Act or General Bye-laws shall apply to a restricted broker-dealer.

23. (1) A broker-dealer registered under the Act who is seeking to conduct business as a CIS manager shall—

Eligibility
requirements
for
CIS managers

- (a) meet the requirements in Bye-law 7 and in Bye-law 23(2)(e) to (k) of these Bye-laws and apply in such form as may be determined by the Commission; and
- (b) maintain minimum capital requirement which is the higher of the prescribed amounts for its registerable business activities, or such other amount as the Commission may determine from time to time.

(2) Every applicant for registration, renewal, or reinstatement of registration as a restricted broker-dealer shall—

- (a) be a company incorporated in Trinidad and Tobago, or incorporated in any other designated foreign jurisdiction and registered in Trinidad and Tobago as an external company under the Companies Act;
- (b) have as its primary business an activity for which registration is required under Bye-law 22 of these Bye-laws;
- (c) not have direct or indirect interests which may conflict with, or be likely to affect the conduct and integrity of its business as a CIS manager;
- (d) maintain at all times minimum capital of two million dollars, of which at least one million dollars shall be regulatory capital or satisfy such other capital requirements as the Commission may determine from time to time;
- (e) have at least two (2) brokering representatives who are registered in accordance with the General Bye-laws, each with a minimum of three (3) years CIS-related work experience in its employ;
- (f) establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control, and monitor risks in relation to each CIS it operates and manages;

- (g) have adequate human resources with the necessary qualifications, expertise, and experience to carry out the business of a CIS manager;
- (h) have adequate and appropriate systems, procedures, and processes to undertake the activities of a CIS manager in a proper and efficient manner;
- (i) have appropriate policies and procedures to—
 - (i) identify, mitigate and manage any conflicts of interest between the CIS and the CIS manager, any party related to the CIS, or any other CIS managed by that CIS manager;
 - (ii) ensure best execution of trades for the CIS;
 - (iii) ensure appropriate trading and timely allocation of transactions among the CISs managed by that manager; and
 - (iv) prevent churning;
- (j) pay such fee as may be prescribed; and
- (k) meet such other requirements as the Commission may determine.

Approval of a
CIS manager

24. (1) Where a broker-dealer registered under the Act, is considered by the Commission to meet the requirements set out in Bye-law 23(1), the Commission shall approve the broker-dealer to conduct the business of a CIS manager.

(2) Where an applicant for registration, renewal, or reinstatement as a restricted broker-dealer—

- (a) is considered by the Commission to be fit and proper;
- (b) complies with the requirements of Bye-law 23(2); and
- (c) pays the prescribed fee,

the Commission shall approve the registration, renewal, or reinstatement of the applicant and may in its discretion impose such terms and conditions as it thinks necessary.

(3) Notwithstanding paragraphs (1) and (2), the Commission may refuse to—

- (a) approve the broker-dealer or restricted broker-dealer to conduct the business of a CIS manager; or
- (b) register, renew, or reinstate the registration of an applicant,

where such registration is not in the public interest.

25. A CIS manager shall, among other responsibilities— Roles and responsibilities of a CIS manager
- (a) ensure that the assets of the CIS are invested in accordance with the investment objectives and related strategies of the CIS;
 - (b) ensure that all applicable borrowing and investment restrictions are adhered to and if breached, the CIS manager shall take as a priority all steps as necessary within a reasonable time period to remedy the situation, taking due account of the interests of the unitholders; and
 - (c) value the assets and calculate the net asset value of the units of a CIS or arrange for an independent party to conduct the valuations and calculations.

26. (1) A CIS manager shall be responsible to the CIS for the losses suffered by the CIS as a result of the CIS manager's failure to exercise the degree of care and diligence required by Bye-law 6 in operating and managing the CIS. Liability of CIS manager

(2) A CIS manager shall not be relieved from liability for losses arising out of the failure of the CIS manager, or any person retained by the CIS manager, to discharge any of the duties and responsibilities of the CIS manager to the CIS.

27. (1) A CIS manager shall establish, maintain and implement policies and procedures that create a system of controls and supervision sufficient to— Internal controls and compliance function

- (a) provide reasonable assurance that the CIS manager and each individual acting on its behalf, complies with the constituent documents, offering documents, the Act, the General Bye-laws and these Bye-laws; and
- (b) manage the risks associated with its business in accordance with prudent business practices including through the use of stress testing parameters—
 - (i) identified by the CIS Manager as being relevant to the CIS; and
 - (ii) as may be determined by the Commission from time to time.

(2) The system of controls required under paragraph (1) shall include, but not be limited to—

- (a) risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to each CIS it operates and manages; and
- (b) sound liquidity risk management processes taking into account normal and stressed market conditions.

(3) In addition to the stress testing carried out pursuant to paragraph (1)(b) above, the Commission may issue stress testing parameters in such form as the Commission may determine from time to time.

(4) A CIS manager shall establish a compliance function that shall be responsible for—

- (a) ensuring the development, maintenance and review of compliance procedures for each area of the operations of the CIS manager;
- (b) establishing and maintaining policies and procedures for assessing compliance by the CIS manager, and individuals acting on its behalf, with the constituent documents, offering documents, the Act, the General Bye-laws and these Bye-laws;
- (c) monitoring and assessing compliance by the CIS manager, and individuals acting on its behalf, with the constituent documents, offering documents, the Act, the General Bye-laws and these Bye-laws;
- (d) preparing compliance reports that detail compliance issues relating to each area of the operations of the CIS manager;
- (e) advising on any matter relating to compliance with the applicable requirements, including on CIS management and on dealings by employees and directors of the CIS manager and the investment committee members of the CIS; and
- (f) reporting to the board of directors, investment committee, audit committee or relevant subcommittee as soon as possible if circumstances indicate that the CIS manager, or any individual acting on its behalf, may not be in compliance with the constituent documents, offering documents, the Act, the General Bye-laws and these Bye-laws.

(5) All findings revealed by the activities of the compliance function referred to in paragraph (4) shall be properly documented and where such findings identify material non-compliance with any of the constituent documents, offering documents, the Act, the General Bye-laws and these Bye-laws, the CIS Manager shall notify the responsible person and the Commission within seven (7) days of becoming aware of the material non-compliance.

- (6) The notification required in paragraph (5) shall include—
- (a) a description of the material non-compliance;
 - (b) the date on which the material non-compliance occurred;
 - (c) the date on which the CIS Manager became aware of the material non-compliance; and
 - (d) any corrective actions taken and to be taken, including timeframes.

28. (1) A CIS manager shall have its internal controls and processes verified by an assessment, at least annually, by an auditor. Internal controls audit

- (2) The assessment required in paragraph (1) shall—
 - (a) be commensurate with the nature and scope of operations of the CIS manager;
 - (b) allow the auditor to report on the adequacy, effectiveness and efficiency of the management, operations, risk management and internal controls of the CIS Manager; and
 - (c) be performed by an internal auditor or external auditor.

29. Where the assessment required in Bye-law 28 is performed by an internal auditor of the CIS manager, that function, *inter alia*, shall— Function of an internal auditor

- (a) where practicable, be free from operating responsibilities, with a direct line of communication to the Board of Directors or the audit committee of the Board, as applicable;
- (b) follow clearly defined terms of the internal audit framework which sets out the scope, objectives, approach and reporting requirements;
- (c) adequately plan, control and record all audit work performed, and record the findings, conclusions and recommendations; and
- (d) highlight matters in the audit report to the Board of Directors or its audit committee, which shall be resolved satisfactorily in a timely manner.

30. (1) Where a CIS manager is part of a group of companies— Physical and Functional separation

- (a) which undertakes other financial activities which are not related to the management of the CIS, such as advising on corporate finance, banking or brokering; or
- (b) where the CIS manager carries on one or more of the activities referred to in subparagraph (a),

it shall ensure that there is an effective system of functional separation and physical barriers in place to prevent the flow of confidential or price-sensitive information between the different areas of operations.

(2) The requirements for physical and functional separation in paragraph (1) do not apply where such separation is impracticable given the size of the companies concerned.

(3) There shall be procedures to document the controls referred to in paragraphs (1) and (2) above.

- CIS manager to ensure segregation of key functions
31. A CIS manager shall ensure that key duties and functions are appropriately segregated where applicable, and in particular—
- (a) front office functions shall be segregated from back-office functions and shall be carried out by different staff with separate reporting lines;
 - (b) compliance and audit functions shall, if possible, be separated from each other, and have separate reporting lines from other functions;
 - (c) the asset management function shall be clearly separated from the trading function; and
 - (d) the investment decision-making functions shall be completely separated from the persons responsible for determining asset valuation and net asset value calculations.

- Financial records
32. A CIS manager shall ensure that the books and records of the CIS shall give a true and fair view of the CIS's financial position at all times.

- Financial records to be available for inspection
33. A CIS manager shall ensure that the financial records of the CIS manager and of any CIS under its management are available for inspection by the responsible person or auditor upon request.

PART V RESPONSIBLE PERSON

- Authorisation required
34. Every CIS requiring authorisation under Part III shall have a responsible person authorised by the Commission.

- Eligibility requirements
35. (1) Every applicant for authorisation as a responsible person shall—

- (a) submit an application in such form as may be determined by the Commission;
- (b) be a company incorporated in Trinidad and Tobago, or incorporated in any other designated foreign jurisdiction and registered in Trinidad and Tobago as an External Company under the Companies Act;
- (c) where the applicant is not licensed under the Financial Institutions Act, have a minimum issued and paid-up capital of not less than two (2) million dollars;
- (d) have adequate human resources with the necessary qualifications, expertise, and experience to carry on business as a responsible person of a CIS;

- (e) have adequate and appropriate systems, procedures, and processes, including internal controls and risk management, that provide reasonable assurance that it can carry out its duties and responsibilities in accordance with the Act, these Bye-laws and the constituent documents of the CIS;
- (f) where the CIS is constituted as a trust, be a financial institution licensed and permitted to conduct trust business under the Financial Institutions Act;
- (g) pay such fees as may be prescribed; and
- (h) meet such other requirements as the Commission may determine.

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(2) Subject to Bye-law 36 the authorisation of a person under paragraph (1) shall be valid for a period of one (1) year from the date of authorisation or such other period as the Commission may determine.

Authorisation
of a responsible
person

36. (1) Where an application for authorisation, renewal, or reinstatement as a responsible person—

- (a) is considered by the Commission to be fit and proper; and
- (b) complies with the requirements of Bye-law 35,

the Commission shall approve the authorisation, renewal, or reinstatement of the applicant and may in its discretion impose such terms and conditions as it thinks necessary.

(2) Notwithstanding paragraph (1), the Commission may refuse to authorise, renew or reinstate the authorisation of an applicant where such authorisation is not in the public interest.

Roles and
Responsibilities
of the
responsible
person

37. (1) A responsible person shall, at all times, through proper and adequate supervision, ensure that the CIS is operated and managed, in accordance with—

- (a) the constituent documents;
- (b) the offering documents;
- (c) the Act, the General Bye-laws and these Bye-laws; and
- (d) acceptable and efficacious business practices within the CIS industry.

(2) A responsible person shall exercise reasonable diligence in monitoring each party related to a CIS and ensuring that remedial actions are taken promptly in response to any breach of the provisions of the constituent documents, disclosures in offering documents, requirements of these Bye-laws, the General Bye-laws and provisions of the Act.

(3) Where the responsible person is of the opinion that the parties related to the CIS are not acting appropriately, the responsible person shall promptly notify the Commission.

Responsible person must be informed of policies

38. (1) A responsible person shall ensure that it is fully informed of the policies of all parties related to the CIS as those policies relate to its duties for the CIS, and of any changes made to those policies.

(2) If the responsible person is of the opinion that the policies are not in the interests of unitholders, it shall, after considering any representation made by the relevant parties, take all reasonable steps to ensure the parties related to a CIS act in the best interest of unitholders and promptly notify the Commission of any such instruction.

Annual report on the administration of the CIS

39. (1) The responsible person shall—

(a) no less frequently than annually, conduct or cause to be conducted, an examination of the administration of the CIS by the CIS manager to determine whether the CIS has been administered in accordance with—

(i) the provisions of these Bye-laws including any limitations imposed on the investment and borrowing powers of the CIS manager; and

(ii) the provisions of the Act, the General Bye-laws, the offering documents and the constituent documents; and

(b) prepare a report that states whether, in the responsible person's opinion, the CIS manager has in all material respects managed the CIS in accordance with the provisions of the Act, the General Bye-laws, these Bye-laws, the offering documents, and constituent documents.

(2) If the examination conducted under paragraph (1)(a) indicates that the CIS manager is not in full compliance, the report of the responsible person required under paragraph (1)(b) shall include—

(a) the details of the non-compliance;

(b) the steps taken by the CIS manager to rectify the situation; and

(c) the steps that the responsible person has taken in respect thereof.

(3) The report of the responsible person shall be sent to the CIS manager and be included in or accompany the annual report of the CIS.

Responsible person to ensure the use of proper methods and practices

40. The responsible person shall take reasonable care to ensure that the methods and practices adopted by the CIS manager in calculating the value of units are adequate to ensure that the sale, issue, repurchase, redemption, and cancellation prices are calculated in accordance with the provisions of the offering documents, constituent documents, any relevant Bye-laws and any guidance issued by the Commission.

41. The responsible person shall ensure that all promotions and presentations made in relation to a CIS shall be in accordance with the standards that the Commission may determine, from time to time.

Promotion
and
presentation

42. The responsible person shall notify the Commission within seven (7) days of any—

Reporting to
the
Commission

- (a) breach of the provisions or covenants of the constituent documents;
- (b) contravention of the Act, the General Bye-laws or these Bye-laws;
- (c) inconsistency between the disclosures in the offering documents and the provisions or covenants of the constituent documents; or
- (d) another event or occurrence, that, in the responsible person's opinion, may indicate that the interests of unitholders are not being protected.

43. The responsible person shall ensure that the CIS manager maintains proper accounting records and other records as are necessary—

Maintenance
of records

- (a) to enable a complete and accurate view of the CIS to be formed; and
- (b) to ensure that the CIS is operated and managed in accordance with the constituent documents, the offering documents, the Act, the General Bye-laws and these Bye-laws.

PART VI

CUSTODIAN

44. Every CIS requiring authorisation under Part III shall have a custodian authorised by the Commission.

Authorisation
required

45. (1) Every applicant for authorisation as a custodian shall—

Eligibility
requirements
of a custodian

- (a) submit an application in such form as may be determined by the Commission;
- (b) be a financial institution licensed under the Financial Institutions Act, a central securities depository in Trinidad and Tobago, or a person that is regulated as a banking institution, trust company, custodian, or central securities depository under the laws of a foreign jurisdiction in which the assets are to be held; Chap. 79:01
- (c) be independent of the CIS manager and responsible person; and
- (d) meet such other requirements as the Commission may determine.

(2) Notwithstanding paragraph (1)(c), where a CIS is constituted in trust form, the responsible person may, with the approval of the Commission, also act as the custodian of the CIS.

(3) Subject to Bye-law 46 the authorisation of a person under paragraph (1) shall be valid for a period of one (1) year from the date of authorisation or such other period as the Commission may determine.

Application of
custodian

46. (1) Where an application for authorisation, renewal, or reinstatement as a custodian—

- (a) is considered by the Commission to be fit and proper; and
- (b) complies with the requirements of Bye-law 45,

the Commission shall approve the authorisation, renewal, or reinstatement of the applicant and may in its discretion impose such terms and conditions as it thinks necessary.

(2) Notwithstanding paragraph (1), the Commission may refuse to authorise, renew or reinstate the authorisation of an applicant where such authorisation is not in the public interest.

Roles and
Responsibilities
of a
Custodian

47. A custodian shall ensure—

- (a) there is a complete physical and legal separation of CIS assets held under custody such that the legal entitlement of unitholders to such assets is ensured; and
- (b) appropriate internal control systems are maintained and that records clearly identify the nature and value of all CIS assets under custody, the ownership of each asset, and the place where any applicable documents of title pertaining to each asset are kept.

Segregation

48. (1) The custodian shall—

- (a) take custody and control of all assets of the CIS and hold them in trust for the unitholders in accordance with the offering documents and constituent documents, the Act, the General Bye-laws, these Bye-laws and such requirements as the Commission may determine;
- (b) subject to paragraph (2) below, hold cash and register registrable assets in the name of the CIS or in trust for the CIS;
- (c) hold the assets of the CIS that are securities in an account at a central securities depository as far as practicable;
- (d) ensure that its books and records clearly separate and segregate assets of the CIS from the assets of—
 - (i) the custodian;
 - (ii) the responsible person;

- (iii) the CIS manager;
- (iv) other clients of the custodian; and
- (v) any other CIS;
- (e) where borrowing is undertaken for the account of the CIS, register any CIS assets pledged as collateral in the lender's name or in that of a nominee appointed by the lender; and
- (f) provide asset reconciliations to the responsible person and the CIS manager, which confirm the assets held by the custodian on behalf of the CIS.

(2) Where a foreign jurisdiction allows the security to be held in the name of the custodian or sub-custodian, the security will be permitted to be held in that way.

49. Where a custodian uses the services of a sub-custodian, a written agreement shall be in place between the custodian and the sub-custodian that—

- (a) provides for the safekeeping of the assets of the CIS on terms consistent with the custodian agreement of the CIS and the requirements of these Bye-laws;
- (b) specifies the terms of the retention of the sub-custodian and the services to be provided; and
- (c) specifies the liabilities of the custodian and sub-custodian.

50. (1) The Commission may establish requirements for custodian and sub-custodian agreements of a CIS as it may determine.

(2) Where the Commission has established requirements pursuant to paragraph (1) above, the custodian and sub-custodian agreements shall comply with these requirements.

51. A custodian agreement or sub-custodian agreement concerning the assets of a CIS shall not—

- (a) provide for the creation of any security interest on the assets of the CIS except-
 - (i) for a good faith claim for payment of the fees and expenses of the custodian or a sub-custodian for acting in that capacity; or
 - (ii) to secure the obligations of the CIS to repay borrowings by the CIS from a lender for the purpose of settling portfolio transactions; and
- (b) contain a provision that would require the payment of a fee to the custodian or a sub-custodian for the transfer of the beneficial ownership of the CIS's assets, other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

- Dealings in the CIS property 52. A custodian shall take all steps to promptly carry out any instruction properly given by the CIS manager, or its delegate, relating to acquisitions or disposals of, or the exercise of the rights attaching to, the assets of a CIS.
- Self-assessments 53. (1) The custodian of a CIS shall, within sixty (60) days after the end of each financial year of the CIS—
- (a) review the custodian agreement and all sub-custodian agreements of the CIS to determine if those agreements are in compliance with these Bye-laws; and
 - (b) make reasonable inquiries as to whether each sub-custodian satisfies the requirements of these Bye-laws.
- (2) The custodian shall, within sixty (60) days after the end of each financial year of the CIS, advise the responsible person in writing of—
- (a) the names and addresses of all sub-custodians of the CIS; and
 - (b) the results of the reviews performed in paragraph (1).
- Report on self-assessment 54. A report of the self-assessment performed in Bye-law 53 shall be submitted to the Commission by the responsible person at the same time as the filing of the annual financial statements of the CIS.

PART VII

OTHER PARTIES RELATED TO A CIS

- Distributor eligibility requirements 55. No person shall distribute the units of a CIS unless such person is—
- (a) registered as a broker-dealer with the Commission; or
 - (b) otherwise approved by the Commission.
- Roles and responsibilities of a distributor 56. A distributor shall—
- (a) process applications for investments in a CIS and accept money for investment in the CIS;
 - (b) send or deliver copies of the prospectus and other offering documents upon receipt of an order or subscription for units in a CIS;
 - (c) issue receipts in respect of the applications received in accordance with paragraph (a);
 - (d) issue contract notes to the applicants in accordance with the terms of the CIS;
 - (e) process requests for the conversion, transfer, or redemptions of the units of a CIS; and
 - (f) issue payment for redemptions in respect of the requests for redemptions received in accordance with paragraph (e).

57. A distributor shall not misrepresent or recklessly represent—
- (a) the distributor’s qualifications or that of the principal represented;
 - (b) the CIS or its characteristics offered by the principal; and
 - (c) the past performance of the CIS being marketed.
58. A distributor shall not—
- (a) trade in units of a CIS unless the CIS has been authorised by the Commission; and
 - (b) issue, circulate, or distribute any application forms unless the form is accompanied by the most recent Key Facts Statement and prospectus.
59. (1) The requirements under the Act and these Bye-laws to send or deliver a prospectus of a CIS to a person are satisfied by sending or delivering the most recent prospectus for the CIS filed under these Bye-laws.
- (2) If a prospectus of a CIS is required under the Act or these Bye-laws to be sent or delivered to a person, the Key Facts Statement most recently filed under these Bye-laws must be sent or delivered to the person at the same time and in the same manner as otherwise required for the prospectus.
- (3) The requirement under the Act or these Bye-laws to send or deliver a prospectus does not apply if the—
- (a) purchase is not the first purchase by that person of the securities of the mutual fund after the filing of a new or amended prospectus; and
 - (b) most recent Key Facts Statement is sent or delivered under paragraph (2).
- (4) A person satisfies the obligation with respect to the sending or delivery of any prospectus or Key Facts Statement by—
- (a) sending the prospectus or Key Facts Statement by—
 - (i) way of compact disc or other external memory device addressed to the person’s address; or
 - (ii) electronic mail, provided that the CIS manager posts the prospectus or Key Facts Statement on its website;
 - (b) posting the prospectus or Key Facts Statement on the website of the CIS manager and publishing a notice in two (2) daily newspapers to be approved by the Commission, giving notice about the availability of such prospectus or Key Facts Statement;

- (c) mailing the prospectus or Key Facts Statement to the address of the person; or
- (d) making the prospectus or Key Facts Statement available in such other manner as the Commission may determine.

(5) Notwithstanding paragraph (4), a person may make a request for a hard copy of any prospectus or Key Facts Statement or any other document incorporated by reference to the prospectus and the CIS manager or distributor shall, as soon as practicable, send the requested documents to that person, without charge.

Registrar

60. (1) The registrar of a CIS or the person responsible for performing the functions of the registrar of a CIS shall establish and maintain a register of the unitholders in a CIS that shall be kept in a legible form or in a form capable of being reproduced in a legible form.

(2) The register referred to in paragraph (1) that is maintained by a registrar shall contain—

- (a) contact information for each unitholder;
- (b) the number of units, including fractions of a unit, of each type held by each such unitholder;
- (c) the date on which the unitholder was registered in the register in respect of the units standing in his name; and
- (d) the date any changes were made to the above information.

(3) The registrar shall—

- (a) take all reasonable steps and exercise all due diligence, to ensure that the information contained in the register is, at all times, accurate, complete, and up to date;
- (b) where applicable, facilitate the delivery of dividends or other distributions to the unitholders of a CIS; and
- (c) where applicable, take reasonable care to ensure that any evidence of investment in units are not issued until subscription monies have been paid.

(4) The registrar shall take such steps as are necessary to obtain information concerning any new unitholders in a CIS to enable an entry in the register to be made in respect of those unitholders.

(5) The registrar may provide book-keeping, accounting, secretarial, registrar services, or distributor services to a CIS.

61. (1) The responsible person of a CIS shall appoint an acceptable external auditor to carry out the duties set out in paragraph (2). Appointment of the external auditor of CIS and duties

(2) An external auditor appointed under paragraph (1) shall—

(a) make such examinations as will enable the auditor to make the reports required under the Act, the General Bye-laws, and these Bye-laws;

(b) conduct an annual audit of the CIS and its financial statements, and provide the CIS and its unitholders with a report thereon in accordance with generally accepted auditing standards;

(c) conduct such other audits or examinations required under the Act, the General Bye-laws, or these Bye-laws in relation to the CIS.

(3) An audit for the purposes of paragraph (2)(b) shall include procedures to verify the assets of the CIS, its valuations, and the CIS manager's methodology of calculating the net asset value of the CIS.

62. (1) No person shall be appointed as an external auditor of a CIS unless— Qualification of auditors

(a) the auditor is an entity that has the capacity and resources to satisfactorily audit the CIS;

(b) the persons specified in paragraph (2) are independent of the CIS; and

(c) at least one member of the auditor is a practicing member in good standing with ICATT or such equivalent body and meets any other requirements as the Commission may approve.

(2) For the purpose of paragraph (1)(b), the persons are—

(a) the auditor; and

(b) members of the audit team conducting the audit of the CIS, including the person having primary responsibility for the audit.

63. (1) A person identified in Bye-law 62(1)(b) is not independent of the CIS if he— Criteria for the independence of auditors

(a) is a connected party of the CIS;

(b) is indebted to the CIS, any party related to the CIS or one of its affiliates other than by virtue of—

(i) a fully collateralised loan; or

(ii) any short-term credit facility used to fund the operations of the auditor;

- (c) beneficially owns or controls, directly or indirectly five (5) percent or more of the shares or other securities of the CIS or of any of its affiliates; or
 - (d) has within two (2) years immediately preceding the appointment of the auditor, been a receiver, receiver-manager, liquidator, or trustee in bankruptcy of a party related to the CIS or of any affiliate of a party related to the CIS other than a subsidiary or affiliate acquired through a realisation of security.
- (2) For the purposes of paragraph (1)(a), a person is a connected party of a CIS if the person—
- (a) is a senior officer of the responsible person or party related to the CIS; or
 - (b) is a senior officer of—
 - (i) an affiliate of the responsible person or party related to the CIS; or
 - (ii) an entity that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the CIS, carrying an aggregate of ten (10) percent or more of the votes attached to all outstanding voting securities of the CIS.
- (3) An auditor, a member of an auditor or audit partner is independent if the person has no material relationship with the CIS, the CIS manager, or an entity related to the CIS manager.
- (4) For the purpose of paragraph (3), a material relationship means a relationship that could reasonably be perceived to interfere with the exercise of the independent judgment of the person.

Limit on the time frame for auditors for CISs

Restriction on activities provided by auditors to a CIS

64. An audit partner shall not have primary responsibility for the audit of a CIS for a period of more than five (5) consecutive years.
65. The auditor of a CIS shall not provide to that CIS—
- (a) book-keeping or other services related to its accounting records or financial statements;
 - (b) financial information systems design and implementation services;
 - (c) actuarial services;
 - (d) internal audit outsourcing services; or
 - (e) such other non-audit related services as the Commission may determine.

66. Where the Commission is not satisfied with the audited annual financial statements or report of the external auditor appointed by a CIS, the Commission may appoint another auditor to conduct an independent audit and shall fix the remuneration to be paid to the auditor by the CIS.

Appointment
of auditor by
the
Commission

67. The responsible person shall, within three (3) days, give written notice, together with reasons, to the Commission if—

Notification
in respect of
auditors

- (a) it intends to terminate the appointment of its auditor before the expiration of its term of office;
- (b) it intends to replace an auditor at the expiration of its term with a different auditor; or
- (c) an auditor ceases to be an auditor of a CIS in circumstances other than those set out in paragraphs (a) and (b).

68. The auditor of a CIS shall forthwith give written notice to the Commission if it—

Notice on the
resignation of
the auditor

- (a) resigns before the expiration of its term of office; or
- (b) does not seek re-appointment,

together with reasons for such resignation or decision not to seek re-appointment.

69. Where the auditor of a CIS is to be removed as a result of a disagreement with the responsible person or any party related to a CIS, the auditor shall submit to the responsible person and the Commission, a written statement setting out the nature of the disagreement.

Notice of
removal of
auditor

70. (1) Where the auditor of a CIS has resigned or the appointment of the auditor has been revoked, no person shall accept an appointment as auditor of that CIS until such person has requested and received from the auditor who has resigned or whose appointment as auditor has been revoked, a written statement of the circumstances and reasons for such resignation or why, in the opinion of the former auditor, the appointment was revoked.

Appointment
of
replacement
auditor

(2) Notwithstanding paragraph (1), a person may accept an appointment as auditor of a CIS if, within fifteen (15) days after a request under paragraph (1) is made, no reply from the former auditor is received.

PART VIII

SUBSCRIPTIONS AND REDEMPTIONS

Policies and procedures—fair treatment 71. Each party related to the CIS shall have policies and procedures in place to ensure incoming, continuing, and redeeming investors are treated fairly and ensure subscriptions and redemptions are carried out in a fair and non-discriminatory manner.

Redemption of closed-end CIS 72. A closed-end fund may not redeem its units prior to its termination date as set out in its constituent documents without the prior written permission of the Commission.

Suspension of subscriptions and redemptions by CIS manager 73. (1) The CIS manager may, with the agreement of the responsible person, suspend sales and redemptions of units of a CIS—

- (a) in exceptional circumstances, after having determined that a suspension is in the best interest of participants;
- (b) with the prior written permission of the Commission; or
- (c) as otherwise permitted or required by law.

(2) For the purposes of paragraph (1), exceptional circumstances include, but are not limited to, situations where normal trading is suspended on a stock exchange or other market on which securities are traded if those securities represent more than fifty (50) percent by value of the total assets of the CIS, provided that those securities are not traded on any other exchange or market that represents a reasonably practical alternative for the CIS.

(3) The CIS manager shall within one (1) day of the decision to suspend subscriptions and redemptions of units of a CIS as permitted in paragraph (1) above:

- (a) notify the Commission if the dealing in units is suspended, stating the reasons for the suspension; and
- (b) make public disclosure of the suspension in every medium in which the CIS's prices are normally published.

(4) Where there is a suspension of a CIS, the CIS Manager shall—

- (a) ensure that subscription or redemption requests submitted during the period of suspension are not processed; and
- (b) promptly notify any client who wishes to either subscribe or redeem units of the CIS of their inability to do so during the period of suspension in accordance with paragraph (3)(b) above.

(5) The suspension should cease as soon as practicable when the exceptional circumstances cease to exist, and in any event, within thirty (30) days of the commencement of the suspension.

(6) Notwithstanding paragraph (4) above, the suspension may be extended if the CIS manager satisfies the responsible person and the Commission that it is in the best interest of unitholders that the dealing in units to remain suspended and any such extension should be subject to weekly review by the responsible person.

74. The Commission may, where it considers it necessary in the public interest—

- (a) order subscriptions and redemptions of securities in a CIS to cease for such period of time as may be specified by the Commission; or
- (b) order a CIS that has suspended or ceased the subscriptions and redemption of its securities to resume accepting subscription requests and fulfilling redemption requests,

in accordance with section 154 of the Act.

PART IX

VALUATIONS AND PRICING

75. (1) The net asset value of a CIS shall be calculated using the fair value of the CIS's assets and liabilities determined in compliance with IFRS or such other accounting standards approved by the Commission.

(2) The net asset value of a CIS shall include the income and expenses of the CIS accrued up to the date of calculation of the net asset value.

(3) For the purposes of paragraph (1) above, fair value means the value determined using—

- (a) IFRS; or
- (b) such other standards and requirements set by the Commission.

(4) The CIS manager shall—

- (a) establish and maintain appropriate policies and procedures for determining the fair value of the assets and liabilities of the CIS; and
- (b) follow those policies and procedures consistently, with due care, and in good faith.

(5) The CIS manager shall maintain a record of the valuations of the assets and calculations of fair value and the reasons supporting those valuations and calculations.

(6) The obligations in paragraphs (4) and (5) shall also apply to any other party to which the duty of valuing the CIS's assets and liabilities has been delegated.

(7) The valuations of the assets and calculations of fair value and net asset value shall be verified by the CIS's external auditors at least once every calendar year.

Frequency of
calculation
and
publication

76. (1) The net asset value of a CIS shall be calculated at least as frequently as the CIS manager and the responsible person deem prudent.

(2) Notwithstanding paragraph (1), the net asset value of a CIS shall be calculated at least as often as the most frequent of—

- (a) each day the CIS issues or redeems units;
- (b) each day required by the rules of the securities exchange on which the CIS is listed; or
- (c) quarterly.

(3) The securities in the portfolio of a CIS shall be valued at least as often as the Net Asset Value of the CIS is calculated.

(4) Upon calculating the net asset value per unit of the CIS under this Bye-law, the CIS manager shall immediately make the following information available to the public and to any securities exchange on which it is listed, and at no cost.

Valuation of
units

77. (1) Unless otherwise permitted by the Commission, the CIS manager shall issue, redeem, or repurchase units in a CIS at a price arrived at by dividing the CIS's net asset value by the number of units outstanding, adjusted by adding or subtracting, as the case may be, any fees and charges, in compliance with the CIS's prospectus or constituent documents.

(2) For the purposes of paragraph (1) above, the net asset value per unit shall be determined at the next valuation point after the request for subscriptions or redemptions is received by the CIS manager.

(3) For the purposes of paragraph (2) above, the valuation point shall be the time of day at which the CIS' net asset value is calculated.

(4) The issue price of a unit of a closed-end CIS that has previously distributed its securities shall not:

- (a) as far as practicable, be a price that causes dilution of the net asset value of other outstanding units of the closed-end CIS at the time the unit is issued; and
- (b) be a price that is less than the most recent net asset value per security of that CIS calculated prior to the pricing of the offering.

78. (1) Where any error occurs in the pricing of a CIS's units, the ^{Pricing errors} CIS manager shall immediately—

- (a) cause the error to be corrected and take such other measures as are necessary to avoid further error; and
- (b) if the error represents one half of a percent or more of the CIS's net asset value per unit after adjusting for the error—
 - (i) inform the responsible person, the custodian and the Commission; and
 - (ii) ensure that compensation is paid to the CIS's affected unitholders in the amount and manner agreed among the CIS manager, the responsible person and the custodian.

(2) Any compensation agreement agreed to under paragraph (1)(b)(ii) shall be approved by the Commission before payment is made to affected unitholders.

(3) The responsible person shall notify the Commission when the CIS manager has fulfilled its compensation obligations satisfactorily.

PART X

BOOKS AND RECORDS

79. A party related to a CIS shall maintain records to accurately ^{General} record its business activities, financial affairs, and client transactions, ^{obligation} and to demonstrate the extent of compliance of the party with the CIS' offering documents, constituent documents, the General Bye-laws, and these Bye-laws.

80. (1) In addition to the record-keeping requirements set out in ^{CIS manager} the Act and General Bye-laws for broker-dealers, a CIS manager shall ^{records} maintain such records—

- (a) as are necessary to enable a complete and accurate view of the CIS and the CIS manager; and
- (b) in a manner that permits it to be provided promptly to the Commission.

- (2) The records to be maintained by a CIS manager for each CIS it manages shall—
- (a) demonstrate compliance with the manager’s policies and procedures, including internal control procedures regarding its management of the CIS;
 - (b) permit the identification and segregation of CIS assets of all kinds;
 - (c) identify all transactions conducted on behalf of the CIS manager and each of its managed CIS, including the parties to the transaction and the terms of purchase or sale;
 - (d) provide an audit trail for—
 - (i) CIS instructions and orders; and
 - (ii) each trade transmitted or executed for the account of a CIS or the CIS manager;
 - (e) permit the creation of account activity reports for the CIS;
 - (f) demonstrate compliance with CIS account opening requirements;
 - (g) document correspondence and other communication with CIS unitholders;
 - (h) document compliance and supervisory actions taken by the CIS manager;
 - (i) demonstrate compliance with the valuation and pricing methodology as may be required by the Act, this Bye-law and any guidance issued by the Commission; and
 - (j) demonstrate compliance with the CIS manager’s obligations under the Act, the General Bye-laws, and these Bye-laws.

PART XI

CONFLICTS OF INTEREST

Independence 81. (1) No director of the CIS manager or any related party of the CIS manager may also be a director of the responsible person.

(2) Paragraph (1) does not apply to a self-managed CIS authorised under Part XIX.

CIS manager to be independent 82. (1) The CIS manager shall be independent of the responsible person.

(2) The CIS manager shall be independent of the custodian.

(3) Paragraph (1) does not apply to a self-managed CIS authorised under Part XIX.

(4) In assessing independence for the purposes of these Bye-laws, the Commission shall consider, among other things—

(a) the group and corporate structure of the custodian, responsible person and CIS manager; and

(b) where the CIS manager, custodian, and responsible person are bodies corporate having the same ultimate holding company, whether—

(i) the ultimate holding company is a company regulated by a securities regulator, banking regulator or financial services regulator or its equivalent in Trinidad and Tobago or any other designated foreign jurisdiction;

(ii) any of the companies is a subsidiary of the other;

(iii) any person is a senior officer of more than one of the companies;

(iv) the custodian functions are performed by personnel who act independently from personnel at the CIS manager and responsible person;

(v) there are systems and controls in place at each company to ensure the independence of personnel carrying out custodian functions from those carrying out the functions of the CIS manager or responsible person; and

(vi) the custodian, CIS manager, and responsible person have delivered to the Commission a signed undertaking that they will act independently of each other in their dealings with the CIS.

Restrictions
on directors
and members
of committees

83. An individual shall not be a—

(a) director of more than one (1) CIS manager at a time; or

(b) member of the investment committees of CIS managed by different CIS managers at the same time.

General
duties
regarding
conflicts

84. (1) All parties related to a CIS shall establish, maintain and implement policies and procedures to identify, avoid, mitigate and manage conflicts of interest.

(2) All parties related to a CIS shall avoid situations where conflicts of interest may arise including any actual or potential conflicts that may arise between different parties in respect of a CIS.

(3) Where a conflict cannot be avoided and provided that the interests of investors can be sufficiently protected, the conflict shall be managed and minimised by appropriate safeguards.

General disclosure obligations

85. All parties related to a CIS shall ensure that the interests of unitholders are not superseded by the interests of the party related to the CIS or its respective related persons.

CIS manager to disclose policies on conflict of interest

86. (1) The CIS manager shall disclose its policies on dealing with conflict of interest situations and what safeguards are in place to protect the interests of investors.

(2) The disclosure required in paragraph (1) shall be included in the prospectus of the CIS and the annual report of the CIS.

Disclosure of interests in investments

87. (1) A CIS manager shall establish, implement and maintain policies and procedures for the CIS manager, its senior officers and investment committee members, to disclose all direct and indirect interests or holdings in securities, other alternative investments including venture capital, private equity and special purpose vehicle arrangements and any other assets which the Commission may, from time to time, by order determine to be alternative investments.

(2) The disclosure required under paragraph (1), shall include interest or holdings in securities held through nominees, those held jointly with any other person, and those held beneficially for persons to whom the disclosure requirement in paragraph (1) applies.

(3) The policies and procedures established under paragraph (1) shall include suitable requirements for the preclearance of personal trades by all senior officers and investment committee members.

(4) The senior officers and investment committee members of a CIS manager are required to disclose their interests to the CIS manager in accordance with paragraph (1).

(5) All disclosures by the senior officers and investment committee members of a CIS manager of their interests under this Bye-law shall be made upon joining the CIS manager and notice shall be given of any changes to their interests or holdings within ten (10) business days of the change.

(6) A CIS manager shall maintain records of disclosures made by persons under this Bye-law and make such records available for inspection by the responsible person or the Commission on request.

Disclosure by the CIS manager

88. A CIS manager shall disclose to the responsible person its interest or holdings in securities and any interests in a special purpose vehicle arrangement, whether directly or indirectly, including through nominees.

89. Directors of the CIS manager and members of the investment committee of the CIS shall recuse themselves from meetings where their participation may raise conflict or potential conflict of interest issues. Recusal

90. A CIS manager, its senior management, and employees shall not offer or accept any gift or benefit which would conflict with the interest of or the duties owed to unitholders. Gifts and benefits

91. (1) A CIS manager shall establish, maintain and implement appropriate policies and procedures regarding the offering or acceptance of gifts and benefits by the manager, its senior management, and employees. Appropriate policies and procedures to govern gifts and benefits

(2) The policies and procedures established under paragraph (1) shall be consistent with the overall policies and procedures of the CIS manager with respect to conflicts of interest established under Bye-law 84.

(3) A CIS manager shall maintain a register of gifts or benefits received or given.

92. The CIS manager shall direct any rebates or other soft commissions arising from transactions or orders on behalf of unitholders to the account of the respective CIS. Rebates and soft commission arrangements

93. Neither the CIS manager nor any of its related parties may retain cash or soft commission from a broker-dealer in consideration of directing transactions in the CIS assets to the broker-dealer, except that goods and services that are soft commissions may be retained if— CIS manager prohibited from retaining soft commissions

- (a) the prior consent of the responsible person is obtained;
- (b) the goods or services are of demonstrable benefit to the unitholders of the CIS;
- (c) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional rates;
- (d) full prior disclosure of the arrangement is made in the prospectus of the CIS, or where no arrangement is yet in place, full prior disclosure is made of the policies of the CIS Manager with respect to these arrangements;
- (e) periodic disclosure is made in the annual report of the CIS in the form of a statement describing the soft commission practices of the CIS manager, including a description of the goods and services received by the manager; and
- (f) the goods and services received are in the form of research and advisory services that assist in the decision-making process relating to the investments of the CIS.

CIS manager to disclose the value of soft commissions 94. A CIS manager shall disclose to the responsible person the value of any soft commission received as soon as practicable upon accepting or receiving the soft commission.

CIS manager to retain a register of soft commissions 95. A CIS manager shall maintain a register of the details of any soft commission accepted or received.

Transactions with related parties—general duty 96. (1) Any transaction, trade, investment, or appointment involving the CIS with parties related to a CIS or a person related to such party shall be made on terms which are the best available for the CIS and which are no less favourable to the CIS than an arm's length transaction between independent parties.

(2) Without limiting the generality of paragraph (1), all transactions with related parties that are—

- (a) brokerage transactions shall take place at a commission rate no higher than customary institutional rates;
- (b) loans to the CIS shall be made on terms, including interest rates and fees, that that are no more favourable to the lender than a commercial loan of the size and nature of the loan in question negotiated at arm's length; and
- (c) cash deposits shall receive interest at a rate not lower than the prevailing commercial rate for a deposit of that size and term.

(3) Due care shall be exercised in selecting brokers, bankers or other parties to ensure that they are suitably qualified in the circumstances.

No duplication of fees for managing one or more CIS 97. Where a CIS invests in one (1) or more CISs that are managed by the same CIS manager, no management fees or incentive fees are payable by that CIS which would result in a duplication of these fees to the CIS manager for the same service.

CIS manager to obtain consent before engaging with a related party 98. (1) Where a CIS manager proposes to engage in a transaction, on behalf of a CIS, with a related party, it shall obtain prior written consent of the responsible person.

(2) For the purpose of paragraph (1), the CIS manager shall disclose to the responsible person the following information:

- (a) the identity of the related party;
- (b) the relationship of the related party to the CIS manager;
- (c) the purpose of the transaction;
- (d) any ongoing commitment to the related party; and
- (e) the basis on which any compensation to the related party was calculated.

(3) The nature of transactions referred to in paragraph (1) and the total compensation and other quantifiable benefits received by such related party shall be disclosed in the CIS's annual report.

PART XII

CONDUCT OF BUSINESS

99. A CIS manager shall have reasonable and adequate basis in setting the investment policy, making investment recommendations, and carrying out any transactions for a CIS.

Investments
within CIS
mandates

100. A CIS manager shall not acquire securities for a CIS, if the CIS manager does not understand the structure, pricing mechanism, and nature of the underlying risks as applicable, of such products.

CIS manager
must
understand
the securities
prior to
investment

101. A CIS manager shall ensure that the investment policy, investment recommendations, and transactions are carried out in accordance with stated objectives, limitations, restrictions, and instructions of the CIS and that sufficient assets are available in the CIS accounts to carry out such transactions.

CIS manager
to ensure
investment
policy aligns
with
objectives of
the CIS

102. (1) A CIS manager shall not take a defensive position unless—

Defensive
positions

(a) it is expressly permitted in the investment policies and strategies of the CIS; and

(b) it is disclosed in the offering documents of the CIS.

(2) The responsible person shall notify the Commission forthwith, but in any event, no later than three (3) business days, of a decision to take a temporary defensive position.

(3) The CIS Manager shall make appropriate disclosure to investors on the temporary defensive position taken as determined after consultation with the Commission.

(4) The disclosures required in paragraph (3) above shall be made to investors in the manner prescribed in Bye-law 135(2) and (3).

103. All transactions carried out by or on behalf of the CIS shall be at arm's length terms and executed on the best available terms.

Best
execution

104. A CIS manager shall—

Order
allocation

(a) ensure that all orders for the CIS under its management are allocated fairly;

(b) make a record of the intended basis of allocation before a transaction is effected;

(c) ensure that an executed transaction is allocated promptly in accordance with the intended allocation; and

(d) where the CIS manager is unable to facilitate the intended allocation in paragraph (c)—

- (i) clearly document the reasons for the re-allocation; and
- (ii) ensure that the revised allocation does not disadvantage the CIS.

Underwriting 105. (1) Subject to paragraph (2) a CIS manager shall not invest in a primary issue of a security where the CIS manager, a party related to the CIS or a related party to the CIS manager is the underwriter of that security, unless prior approval has been obtained from the responsible person.

(2) Paragraph (1) above does not apply to—

- (a) debt securities issued by the government; or
- (b) treasury notes issued by the government pursuant to the Treasury Bills Act, and the Treasury Notes Act.

Chap. 71:40
Chap. 71:39

Investment management agreement 106. There shall be a written investment management agreement between the CIS manager and the responsible person of a CIS before the CIS manager provides any investment management services for or transacts on behalf of a CIS.

Agreement to be in compliance with Act and Bye-laws

107. The responsible person shall ensure that the terms and conditions set out in the written agreement required in Bye-law 106 are—

- (a) in compliance with the requirements of the constituent documents, the Act, the General Bye-laws and these Bye-laws; and
- (b) include such information and terms as the Commission may require.

PART XIII

OUTSOURCING

Outsourcing of functions 108. (1) A party related to a CIS may outsource its functions to third parties in relation to a CIS provided that—

- (a) the responsible person is informed of the functions outsourced; and
- (b) the Commission is informed and a copy of the service agreement is submitted to the Commission forthwith.

(2) The Commission or responsible person may object to any appointments that do not comply with this Part.

(3) In addition to paragraph (2), the Commission reserves the right to object where the substantive functions of the parties related to the CIS have been outsourced to a third party.

(4) Where a third party in paragraph (1) is a foreign person, a party related to a CIS shall ensure that the foreign person is domiciled in a jurisdiction whose laws are—

- (a) sufficient to ensure investor protection and market integrity in Trinidad and Tobago; and
- (b) of a standard at least equal to those in Trinidad and Tobago.

(5) For the purposes of satisfying paragraph (4) a party related to a CIS shall consider, in particular, the requirements in the foreign jurisdiction with respect to—

- (a) the obligations to prepare, file with its regulator and publish offering documents, audited annual financial statements, interim financial statements and material change disclosure documents;
- (b) whether the person is in good standing with the regulator in the foreign jurisdiction;
- (c) the on-going supervision of the person by the foreign regulatory authority; and
- (d) whether the Commission and the foreign regulator are parties to an information sharing agreement;
- (e) such other matters as the Commission deems relevant.

109. A party related to a CIS shall not outsource any key role or duty related to the activities of the CIS, such key roles and duties being those that the Commission may classify as such, by order or by other guidance.

Key role or
duty not to be
outsourced

110. (1) Outsourcing to third parties does not relieve parties related to a CIS from the responsibility for proper conduct of the outsourced activities.

Related
parties
remain
responsible
even where
there is
outsourcing
to third
parties

(2) Parties related to a CIS shall be responsible for the actions and omissions of its service provider as though they were its own actions and omissions.

111. Parties related to a CIS shall disclose the identity and status of persons acting on its behalf to investors in—

Disclosure of
delegation to
investors

- (a) the prospectus;
- (b) the Key Facts Statement; and
- (c) the annual report of the CIS.

Related parties to have policies and procedures in place

112. All parties related to a CIS shall have adequate policies and procedures in place to—

- (a) ensure the accuracy of information received from the third party;
- (b) ensure that the function outsourced is performed in a proper and efficient manner;
- (c) monitor and manage any conflict of interest that may arise with the third party to which functions are outsourced;
- (d) ensure compliance with the offering and constituent documents, the Act, the General Bye-laws and these Bye-laws;
- (e) ensure it can provide any statement, document, book, record or other information relating to the CIS requested by the Commission under Bye-law 8 including instances where the requested information is to be provided by a third party; and
- (f) monitor the conduct, service delivery, performance reliability and processing capacity of the third party, including but not limited to the following:
 - (i) periodic review and update of the service level agreement; and
 - (ii) holding regular meetings to discuss the performance of the service provider, sub-contractor and regulatory matters.

Due care

113. A party related to a CIS shall always act in the interest of the CIS investors in appointing a third-party service provider.

Due diligence on selection

114. A party related to a CIS that intends to outsource any function to third parties shall ensure that the third party—

- (a) is duly licensed or authorised by a regulatory authority where such licensing or authorisation is required to carry on the third party's activities;
- (b) has adequate financial resources to conduct the function;
- (c) has sufficient experience in the performance of the function;
- (d) has adequate and appropriate human resources, systems, procedures and processes to carry out the function including compliance with applicable requirements and policies and procedures on internal controls;
- (e) has suitable policies and procedures for preventing abuse of confidential information of clients;

- (f) has suitable policies and procedures in place to manage any conflict of interest;
- (g) has no present or potential litigation proceedings that may have a potential impact on its performance of the outsourced function;
- (h) has a suitable business continuity plan; and
- (i) meets such other criteria that the Commission may determine.

115. The service agreement between a party related to a CIS and a third party shall—

- (a) address the requirements set out in Bye-law 114;
- (b) include provisions granting the party related to the CIS powers of examination and/or inspection to ensure that the third party is in compliance with the applicable requirements of the offering documents and constituent documents of the CIS, the Act, the General Bye-laws and these Bye-laws;
- (c) include provisions requiring the third party to provide any relevant statement, document, book, record, or other information relating to the CIS so that the party related to the CIS may satisfy a request made by the Commission under Bye-law 8; and
- (d) include such other information and terms as the Commission may determine.

116. No fees, remuneration and other charges of the third party shall be charged to the CIS if such third-party fees, remuneration and other charges would result in a duplication of fees payable by the CIS for the same services.

117. (1) Each party related to a CIS shall perform an annual assessment of the performance of each of its respective third parties detailing—

- (a) the adherence by the third party to the criteria specified under Bye-law 114; and
- (b) any new risk arising from the outsourcing arrangement and strategies for managing such risk.

(2) A report on the assessment referred to in paragraph (1) shall be submitted to the Board of Directors of the party related to the CIS and the responsible person.

(3) Upon request by the Commission, any report referred to in paragraph (2) shall be submitted to the Commission.

PART XIV
TERMINATION OF A CIS

- Termination of CIS 118. The CIS's offering and constituent documents shall contain information relating to a merger or voluntary termination of the CIS and the processes for effecting such merger or termination.
- Termination plan 119. (1) Where a voluntary decision to terminate has been made, the responsible person shall prepare a termination plan, which shall be filed with the Commission for review prior to being issued to unitholders.
- (2) A CIS's termination plan shall contain, at minimum, such information as is listed in Market Guidance Forms issued by the Commission.
- Conditions for voluntary termination 120. (1) A CIS shall be voluntarily terminated, by the responsible person, upon the occurrence of—
- (a) one (1) or more events stipulated in the offering documents and constituent documents of the CIS as requiring termination of the CIS;
 - (b) a special resolution passed at a unitholders' meeting to terminate the CIS;
 - (c) the CIS reaching its maturity date as specified in the offering documents and constituent documents; or
 - (d) the effective date of a transfer scheme has resulted in the CIS that is the subject of the transfer scheme being left with no assets.
- (2) For the purpose of paragraph (1), a transfer scheme is an arrangement to transfer property from one CIS to another CIS where that transfer has been approved by—
- (a) a special resolution of unitholders of the CIS from which the CIS property is being transferred; and
 - (b) a special resolution of unitholders of the CIS to whom the CIS property is being transferred.
- Consequences of voluntary termination 121. Upon the occurrence of any of the events under Bye-law 120—
- (a) the CIS shall cease to distribute and redeem units;
 - (b) the CIS manager and distributor shall cease to deal in units of the CIS; and
 - (c) the responsible person shall proceed to wind up the CIS in accordance with these Bye-laws and any other applicable law.

122. (1) If the events under Bye-law 120 (1)(a) to (c) occurs, the responsible person shall—

Duties of the responsible person upon voluntary termination

- (a) sell all the assets of the CIS;
- (b) after paying or retaining an adequate amount for all liabilities payable and the cost of winding up, distribute to unitholders the net cash proceeds available for the purpose of such distribution in proportion to the number of units held by unitholders respectively; and
- (c) hold in escrow any unclaimed net proceeds or other cash held by the responsible person that remains unclaimed after twelve (12) months from the date on which it became payable.

(2) If an event in Bye-law 120(1) occurs, the responsible person shall proceed to terminate the CIS in accordance with the transfer scheme.

123. Where a court orders the winding up or termination of a CIS, the responsible person shall—

Duties of the responsible person upon winding-up by a Court

- (a) inform the Commission of the termination or winding up of the CIS; and
- (b) publish a notice, in such form as the Commission may determine, on the termination or winding up of the CIS in two (2) daily newspapers of general circulation in Trinidad and Tobago.

124. (1) The responsible person shall within one (1) day notify the Commission in writing of—

Notice

- (a) the passing of a resolution to terminate or wind up the CIS;
- (b) a declaration by the Court to terminate or wind up the CIS; and
- (c) the completion of the termination and winding up of the CIS.

(2) Where a CIS is being terminated or wound up, the responsible person shall also arrange for the auditor of the CIS to conduct a final review and audit of the CIS's accounts.

125. (1) Subject to paragraph (2), during the period in which a CIS is being terminated or wound up—

Accounts and reports during termination/winding up

- (a) the accounting period continues to run; and
- (b) annual and interim reports continue to be required.

(2) Paragraph (1) does not apply where—

(a) the auditor and the CIS manager have taken reasonable care to determine that timely production of an annual or interim report is not required in the interests of unitholders; and

(b) the Commission has no objections to the decision referred to in paragraph (2)(a) above.

Terminating
a class of
units

126. (1) Unless the constituent documents of a CIS provide for the termination of a class of units, a class of units shall be terminated if a special resolution is passed at a meeting of unitholders of that class of units to terminate the class, provided always that such termination does not prejudice the interests of any other class of units.

(2) If a special resolution under paragraph (1) is passed—

(a) the CIS shall cease to distribute units of that class;

(b) the CIS manager shall cease to deal in units of that class;

(c) the responsible person shall cancel units of that class.

(3) The responsible person shall as soon as practicable after the termination of a class of units—

(a) inform all unitholders of the CIS of the termination of the class of units; and

(b) publish a notice on the termination of the class of units in two (2) daily newspapers of general circulation in Trinidad and Tobago,

(4) The responsible person shall notify the Commission in writing—

(a) upon the passing of a resolution to terminate a class of units or when the conditions as stated in the constituent documents for the termination of a class of units are met; and

(b) upon the completion of the termination of a class of units.

(5) Where a class of units is being terminated, the responsible person shall also arrange for the auditor of the CIS to conduct a final review and audit of the CIS's accounts in relation to that class of units.

PART XV

CONTINUOUS DISCLOSURE

127. (1) The financial statements required under these Bye-laws shall— Financial statements

- (a) be prepared in accordance with financial reporting standards;
- (b) include, but are not limited to—
 - (i) a statement of financial position;
 - (ii) a statement of comprehensive income;
 - (iii) statement of equity;
 - (iv) a statement of cash flows;
 - (v) notes to the financial statements; and
 - (vi) any other statement or financial information required to be provided by the Commission.

(2) In addition to the requirements set out in paragraph (1), the annual comparative financial statements of a CIS shall include a statement of changes in net assets attributable to holders of redeemable shares.

128. The annual and interim financial statements of a CIS shall be certified where the CIS is constituted— Certification of annual and interim financial statements

- (a) as a trust or a company, by the directors of the responsible person and the approval shall be evidenced by the signatures of two (2) directors duly authorised to signify the approval; and
- (b) other than as a trust or company, by any two (2) persons authorised to sign on behalf of the responsible person and the approval shall be evidenced by the signatures of two (2) such persons duly authorised to signify the approval.

129. (1) The responsible person shall file with the Commission, within ninety (90) days of the end of each financial year of such CIS, annual comparative financial statements relating separately to— Comparative annual financial statements preparation and filing

- (a) the period that commenced on the date of incorporation or organisation and ended as of the close of the first financial year or, if the CIS has completed a financial year, the last financial year; and

(b) the period covered by the financial year immediately preceding the last financial year, if any,

made up and certified as prescribed and prepared in accordance with financial reporting standards.

(2) Annual financial statements filed under paragraph (1) shall be accompanied by an auditor's report.

(3) The Commission may, where the report of the auditor required by paragraph (2) is qualified in any respect, take any action that it deems necessary until the matters giving rise to the qualified audit report are resolved.

(4) Where the auditor in the course of performing the audit is of the opinion that a matter could give rise to a qualification in the audit report on the financial statements, the auditor shall provide notice to the Commission immediately and deliver a copy of the notice promptly to the CIS.

(5) The notice required by paragraph (4) shall contain complete details about the circumstances giving rise to the notice.

Interim
financial
statements
preparation
and filing

130. (1) The responsible person shall prepare and file with the Commission interim financial statements of the CIS within sixty (60) days of the end of the interim period to which they relate or within such other period as may be prescribed—

(a) where the CIS has not completed its first financial year, for the periods commencing with the beginning of that year and ending three (3), six (6) and nine (9) months respectively, after the beginning of that year, but no interim financial statement is required to be filed for a period that is less than three (3) months; or

(b) where the CIS has completed its first financial year, for the periods commencing with the beginning of the current financial year and ending three (3), six (6) and nine (9) months respectively, after the beginning of that year, including a comparative statement to the end of each of the corresponding periods in the previous financial year,

prepared in accordance with financial reporting standards and certified as prescribed for each interim period of each financial year beginning on, or after the coming into force of these Bye-laws.

(2) An interim financial statement prepared and filed under paragraph (1) need not include an auditor's report, but if an auditor has been associated with that statement, the audit report, or the auditor's comments on the unaudited financial information shall accompany the financial statement.

131. (1) Every responsible person shall provide to the Commission, within such period and in such form as the Commission may determine from time to time, information on a CIS relating to—

Provision of information on a CIS to the Commission

- (a) assets and liabilities;
- (b) revenue and expenses;
- (c) investment portfolio;
- (d) unitholders; and
- (e) any other matter that the Commission may require.

(2) For the purpose of paragraph (1), the responsible person may delegate to the CIS manager the responsibility to provide the information to the Commission and shall immediately notify the Commission of such delegation.

132. (1) The responsible person for a CIS shall file with the Commission a copy of an annual report related to the performance of the CIS within one hundred and twenty (120) days of the financial year-end of the CIS.

Annual report of CIS performance and update of Key Facts Statement

(2) A CIS's Key Facts Statement shall be updated in such frequency as is necessary but no less than on an annual basis.

(3) Where the Key Facts Statement is updated as required in paragraph (2), the responsible person shall file such with the Commission within three (3) business days of the change.

133. An annual report of CIS performance required by this Part shall contain the following :

Contents of annual report of CIS performance

- (a) the annual comparative financial statements, including the audit report;
- (b) a management discussion and analysis in such form as the Commission may order;
- (c) any required reports on transactions with related parties or other conflicts of interest;
- (d) details of functions outsourced to third-party service providers;
- (e) a quarterly portfolio disclosure statement in respect of the fourth fiscal quarter of the CIS as required by Bye-law 136;
- (f) a report prepared on the administration of the CIS as required by Bye-law 39; and
- (g) such other information as the Commission may require.

Filing of
material filed
abroad

134. (1) The CIS manager shall file with the Commission all other information or documents regarding the CIS that is filed with or delivered to—

- (a) a government of another jurisdiction;
- (b) a financial regulator of another jurisdiction; or
- (c) a securities exchange of another jurisdiction,

in accordance with that jurisdiction's applicable law or the rules or regulations of that securities exchange, if such information has not otherwise been required to be filed with the Commission under the Act or these Bye-laws.

(2) Any document or information required to be filed under paragraph (1) shall be filed with the Commission forthwith after the CIS manager sends the information referred to in paragraph (1) to the foreign government, regulator or stock exchange.

(3) Information that is filed with the Commission pursuant to this Bye-law and that has been filed on a confidential basis in all other jurisdictions in which it was filed, shall be kept confidential so long as it remains confidential in all those other jurisdictions.

Delivery of
financial
statements
and annual
reports

135. (1) Subject to paragraph (2), every financial statement and annual report required to be prepared and filed with the Commission, shall be concurrently sent by the responsible person to each unitholder, to the address as shown on the register of the CIS at the time such financial statements are filed with the Commission.

(2) A responsible person satisfies the obligation under this Part with respect to the sending and delivery of any document, report or statement to its unitholders by—

- (a) posting the document, report or statement on the website of the CIS manager and publishing a notice in two (2) daily newspapers to be approved by the Commission, notifying the unitholders about the availability of such document, report or statement; and
- (b) sending the document, report or statement to its unitholders by—
 - (i) way of compact disc or other external memory device addressed to the latest address as shown on the securities register; or
 - (ii) electronic mail, where the unitholder has given written consent or a two-thirds majority of unitholders of the CIS has given consent to electronic delivery at a meeting of the unitholders and the CIS manager posts the document, report or statement on its website; or

- (c) publishing the document, report or statement in two (2) daily newspapers of general circulation in Trinidad and Tobago;
- (d) mailing the document, report or statement to the latest address as shown on the register of the CIS; or
- (e) making the document, report or statement available in such other manner as the Commission may determine.

(3) Notwithstanding paragraph (2), a unitholder may make a request for a hard copy of any document, report or statement and the CIS manager shall, as soon as practicable, send such document, report or statements, without charge, addressed to the latest address as shown on the register of the CIS.

136. (1) A CIS manager shall prepare a quarterly portfolio statement that includes—

Quarterly
portfolio
statement

- (a) a summary of investment portfolio prepared in accordance with paragraph (2) as at the end of—
 - (i) each fiscal quarter; or
 - (ii) in the case of a transition year of the CIS, each period commencing on the first day of the transition year and ending either three (3), six (6) or nine (9) months, if applicable, after the end of its old financial year; and
 - (b) the total net asset value of the CIS as at the end of the periods specified in paragraph (1)(a)(i) or (1)(a) (ii) and the methodology used for the net asset value calculation.
- (2) The summary of the investment portfolio shall—
- (a) summarise the entire portfolio of the CIS into appropriate subgroups;
 - (b) show the percentage of the aggregate net asset value of the CIS constituted by each subgroup;
 - (c) disclose the top ten (10) positions held by the CIS, each expressed as a percentage of the net asset value of the CIS;
 - (d) disclose separately the total percentage of net asset value represented by the long positions and by the short positions; and
 - (e) indicate that the summary of the investment portfolio may change due to ongoing portfolio transactions of the CIS and a quarterly update is available.

(3) The quarterly portfolio statement shall be filed with the Commission within sixty (60) days of the end of the period for which the quarterly portfolio statement was prepared.

(4) A CIS manager shall post the quarterly portfolio statement to its website within sixty (60) days of the end of the period for which the quarterly portfolio disclosure was prepared.

(5) A CIS manager shall, within five (5) days of receipt of a request made by any unitholder, send the most recent quarterly portfolio statement, without charge, to any unitholder of the CIS.

(6) A CIS Manager shall prepare and file with the Commission—

(a) a Volume Report in such form as the Commission may determine in respect of each collective investment scheme that it manages.

(b) The Volume Report in paragraph (a) shall be filed with the Commission within fifteen (15) days of the end of each month of operation of the collective investment scheme.

Unitholder
account
statements

137. (1) A CIS Manager shall send statements of account to each unitholder of each CIS under its management—

(a) at the end of each three-month period or at such shorter period and containing the information prescribed in paragraph (2) below; and

(b) the statement referred to in paragraph (1)(a) shall be sent to unitholders within fourteen (14) days after the end of the quarter.

(2) The statements of account referred to in paragraph (1) shall include details of—

(a) the number and value of the investments held by the unitholder in the CIS as at the beginning of the quarter;

(b) each purchase or redemption made by the unitholder in respect of the units of the CIS during the quarter;

(c) any dividends paid to the unitholder during the quarter; and

(d) the number and value of the investments held by the unitholder in the CIS as at the end of the quarter.

(3) A CIS manager shall satisfy the obligation to send unitholders the statements of account referred to in paragraph (1) by—

(a) sending the statement by way of an electronic record addressed to the latest known address of the unitholder as shown on the register of the CIS, provided that the unitholder has given written consent for the statement to be delivered to him in this format;

- (b) sending the statement by electronic mail or another secured electronic methods of delivery where the unitholder has given written consent for the statement to be delivered to him in this format;
- (c) making the statement accessible to the unitholder on the CIS manager's website, in such manner as preserves the privacy of the information;
- (d) mailing the document to the most recent address of the unitholder as shown on the register of the CIS; or
- (e) making the statement available in such other manner as the Commission may determine.

(4) Notwithstanding paragraph (3), if a unitholder requests a hard copy of the statement, the CIS manager shall provide a copy to the unitholder free of charge.

(5) For the purpose of this Bye-law, the CIS manager may delegate to the registrar or the Responsible Person the responsibility to provide statements of account to each unitholder and shall immediately notify the Commission of such delegation.

138. (1) If a material change occurs in the affairs of a CIS, the responsible person shall— Material change report

- (a) within three (3) days of the occurrence of the material change, file with the Commission the required report disclosing the nature and substance of the material change, the contents of which shall be certified by a senior officer;
- (b) forthwith, and in any event within seven (7) days of the occurrence of the material change, publish a notice in such form as the Commission may require in two (2) daily newspapers of general circulation in Trinidad and Tobago or as otherwise determined by the Commission and such notice shall be authorised by a senior officer and shall disclose the nature and substance of the material change; and
- (c) within seven (7) days of the occurrence of the material change file, a copy of the notice published in paragraph (1)(b) with the Commission.

(2) Subject to paragraph (3), paragraphs (1)(b) and (c) shall not apply where the responsible person is of the opinion that—

- (a) the disclosure required by paragraph (1)(b) would be unduly detrimental to the CIS interests; or

(b) the disclosure required by paragraph (1)(b) would be unwarranted,

and the responsible person shall forthwith comply with paragraph (1)(a) and notify the Commission in writing of the material change and the reasons why it is of the opinion that there should not be a notice as contemplated in paragraph (1)(b).

(3) Where the Commission is of the opinion that the disclosure of the material change would not be unduly detrimental to the interests of a CIS, it may, after giving the CIS and the responsible person an opportunity to be heard—

(a) require disclosure to the public of the material change in accordance with paragraph (1); or

(b) permit non-disclosure of the material change by the reporting issuer until such time as the Commission may determine.

(4) For the purpose of paragraph (1), the responsible person may delegate to the CIS manager the filing and publication requirements referred to in paragraph (1).

PART XVI

NOMENCLATURE

Naming of
the CIS

139. (1) The name of the CIS or any class of units of any CIS shall not be inappropriate, misleading or conflict with the type of CIS by which it is best characterized.

(2) The Commission may direct the responsible person to change the name of the CIS or any class of units of any CIS if, in the opinion of the Commission, the name is inappropriate, misleading or conflicts with the name of another CIS.

(3) When deciding whether to make a direction under paragraph (2), the Commission will take into account, *inter alia*, whether the name of the CIS or any class of units of any CIS—

(a) implies that the CIS or any class of units of any CIS has merits that are not justified;

(b) is inconsistent with the CIS' investment objective or policy;

(c) might mislead investors into thinking that a person other than the CIS manager is responsible for the CIS or part of the CIS;

(d) is substantially similar to the name of another CIS in Trinidad and Tobago or elsewhere; or

(e) is in the opinion of the Commission likely to offend the public.

(4) The Commission may impose other requirements on the use of particular terms in the name of a CIS.

PART XVII
FOREIGN CIS

140. (1) The Commission may declare one (1) or more jurisdictions to be recognised foreign jurisdictions for the purposes of these Bye-laws, if—

Recognition
of foreign
jurisdictions

- (a) the Commission is of the opinion that the laws and regulatory oversight with respect to CIS in those jurisdictions are—
 - (i) sufficient to ensure investor protection and market integrity in Trinidad and Tobago; and
 - (ii) of a standard at least equal to that in Trinidad and Tobago; and
- (b) the Commission and the regulator in that foreign jurisdiction are parties to a suitable information sharing arrangement.

(2) In reaching a decision under paragraph (1)(a), the Commission will consider, in particular, the requirements in the foreign jurisdiction with respect to—

- (a) the obligations of a CIS and parties related to a CIS to prepare, file with its regulator and publish offering documents, audited annual financial statements, interim financial statements and material change disclosure documents;
- (b) the accounting and auditing standards applicable to the CIS' financial statements;
- (c) the independence of the custodian from the responsible person and manager of the CIS;
- (d) the investment restrictions that apply to the CIS;
- (e) whether the responsible person, manager, custodian and other providers of services to the CIS are fit and proper;
- (f) the on-going supervision of the CIS and its providers of services by the foreign regulatory authority;
- (g) the independence requirements applicable to the CIS' auditors;
- (h) the requirements applicable to segregation and safekeeping of the CIS' assets; and
- (i) such other matters as the Commission deems relevant.

141. (1) The responsible person or manager of a regulated foreign CIS may apply to the Commission for the authorisation of the CIS under this Part.

Application
for
authorisation

(2) An application for the purposes of paragraph (1) shall be made in such form as the Commission may determine and shall-

(a) contain sufficient information for the Commission to assess the merits of the application;

(b) be accompanied by—

- (i) an application for registration as a reporting issuer under section 61 (1) of the Act, in such form as the Commission may determine;
- (ii) a certificate, signed by a duly authorised senior officer of the responsible person or manager of the CIS, stating that the CIS complies with the requirements for approval set out in this Part;
- (iii) the latest offering document and any other disclosure documents used in the recognised foreign jurisdiction concerned, including all documents incorporated by reference into those offering or disclosure documents, an addendum containing the statements and other information as required by the Commission, and a statement certifying that the offering documents and all documents incorporated by reference constitute full and true disclosure in plain language of all material facts relating to the issuer and the securities being distributed;
- (iv) all marketing materials to be used in Trinidad and Tobago to offer the securities of the CIS;
- (v) evidence that the CIS is an issuer in good standing in the recognized foreign jurisdiction concerned and that the offering documents have been approved by the regulator in the recognized foreign jurisdiction concerned;
- (vi) the latest audited financial statements and, if more recent, the latest interim financial statements of the CIS;
- (vii) the constituent documents of the CIS;
- (viii) documentary evidence of the appointment of a principal distributor in such form as the Commission may determine and the names of any other registered broker-dealers through which the CIS will be sold in Trinidad and Tobago;
- (ix) documentary evidence of the appointment of agent for service of process of the CIS in such form as the Commission may determine;

- (x) details on the responsible person, manager and custodian and its directors and officers;
- (xi) a certificate of compliance in such form as the Commission may determine indicating that the regulated foreign CIS is in compliance with the continuous disclosure regime of the recognized foreign jurisdiction concerned;
- (xii) a submission to the Commission's jurisdiction in such form as the Commission may determine;
- (xiii) the prescribed fees; and
- (xiv) any other information as required by the Commission.

142. (1) Where an application for the approval of authorisation of a regulated foreign CIS—

- (a) is considered by the Commission to be fit and proper; and
- (b) complies with the requirements of Bye-law 141,

Approval of
authorisation
by the
Commission

the Commission shall grant its approval of the authorisation of the CIS and may in its discretion impose such terms and conditions as it thinks necessary.

(2) Notwithstanding paragraph (1), the Commission may refuse to approve the authorisation a regulated foreign CIS where such approval is not in the public interest.

(3) The approval of the authorisation of a regulated foreign CIS shall be valid for a period not exceeding one hundred and twenty (120) days after the end of the CIS's financial year-end.

(4) Notwithstanding paragraph (3), the approval of authorisation of a regulated foreign CIS shall continue provided that the following are filed within one hundred and twenty (120) days from the end of the financial year of the regulated foreign CIS:

- (a) the relevant market access fees;
- (b) the most recent offering documents of the CIS;
- (c) the most recent annual report of the CIS;
- (d) confirmation of the service providers of the CIS and the services they provide to the CIS;
- (e) a certificate of compliance in such form as the Commission may determine indicating that the regulated foreign CIS is in compliance with the continuous disclosure regime of its home jurisdiction; and
- (f) such other information as may be determined by the Commission.

(5) A regulated foreign CIS approved under this Part shall be exempt from the requirements to be authorised as set out in Part III of these Bye-laws.

Requirements
for offering
documents

143. (1) The offering document filed with the Commission in accordance with Bye-law 141, and any amended offering document, or an addendum attached thereto, shall—

- (a) contain the additional information, statements and certificates required by this Part or as otherwise required by the Commission;
- (b) provide full and true disclosure in plain language of all material facts relating to the securities proposed to be distributed; and
- (c) contain no untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(2) Each offering document and any amended offering document used under this Part, shall contain the contents set out in Schedule III Addendum for foreign CISs.

(3) The addendum to each offering document and amended offering document shall include such other information as the Commission may determine, from time to time.

Amendments
of offering
documents

144. (1) The provisions of the laws of the recognized foreign jurisdiction concerned that prescribe the circumstances under which the offering document shall be amended shall apply to distributions made under this Part.

(2) Offering documents filed under this Part shall be amended in accordance with securities laws in the recognized foreign jurisdiction concerned but shall contain the addendum and certificates, where applicable, required by this Part.

(3) If the offering document in the recognized foreign jurisdiction is amended in a manner that modifies the offering document filed in Trinidad and Tobago, a copy of the document containing the modification shall be filed with the Commission promptly after the filing of the final form of amendment with the appropriate regulatory authority of the recognized foreign jurisdiction concerned.

Delivery
obligation—
offering
documents

145. (1) Offering documents and any amended offering documents filed under this Part shall be—

- (a) delivered to purchasers in accordance with the requirements set out in the Act and these Bye-laws; and
- (b) provided by the regulated foreign CIS without charge to any person or company in Trinidad and Tobago on request to the CIS or to the principal distributor.

(2) Documents that are incorporated by reference into offering documents filed under this Part are not required to be made available to purchasers in Trinidad and Tobago unless they are required to be delivered to investors in the recognized foreign jurisdiction under the securities laws of the recognized foreign jurisdiction concerned.

(3) If any documents incorporated by reference into offering documents are required to be delivered to investors under the securities laws of the recognized foreign jurisdiction concerned, then such documents shall be provided by the regulated foreign CIS without charge to any person in Trinidad and Tobago on request to the CIS or to the principal distributor.

146. (1) A regulated foreign CIS that has been approved pursuant to Bye-law 142 is exempt from the requirements of Part V of the Act and Part XV of these Bye-laws, where the regulated foreign CIS—

Continuous
disclosure
requirements

- (a) complies in all respects with the continuous disclosure requirements of the recognized foreign jurisdiction concerned regarding—
 - (i) the disclosure of material changes on a timely basis;
 - (ii) the preparation, filing and delivery of annual comparative financial statements and an auditor's report thereon;
 - (iii) the preparation, filing and delivery of interim financial statements; and
 - (iv) the preparation, filing and delivery of an annual report or other similar document on the CIS's annual comparative financial statements;
- (b) files with the Commission all such documents which it files with the securities regulatory authority in the recognized foreign jurisdiction concerned in respect of the items described in paragraph (1)(a) as soon as possible but in any event within seven (7) days after such filing is required to be made with the foreign regulatory authority; and
- (c) provides to each unitholder resident in Trinidad and Tobago, at the address shown on the securities register of the CIS, the documents that such unitholder is entitled to receive under the securities laws of the recognized foreign jurisdiction concerned if such unitholder were resident in that jurisdiction, and such documents shall be sent within seven (7) days after such documents would be required to be sent to the unitholders resident in the recognized foreign jurisdiction.

Filing of material filed abroad 147. (1) The manager of the regulated foreign CIS shall file with the Commission all other information or documents regarding the CIS that have been filed with, or delivered to—

- (a) a government of another jurisdiction;
- (b) a financial regulator of another jurisdiction; or
- (c) a securities exchange of another jurisdiction,

in accordance with that jurisdiction's applicable law or the rules or regulations of that securities exchange, if such information has not otherwise been required to be filed with the Commission under the Act or these Bye-laws.

(2) Any document or information required to be filed under paragraph (1) shall be filed with the Commission forthwith after the manager sends the information referred to in paragraph (1) to the foreign government, regulator or stock exchange.

(3) Information that is filed with the Commission pursuant to paragraph (2) and that has been filed on a confidential basis in all other jurisdictions in which it was filed, shall be kept confidential so long as it remains confidential in all those other jurisdictions.

Continuous disclosure—delivery to unitholders 148. (1) Continuous disclosure documents required to be provided to Trinidad and Tobago unitholders under Bye-law 146, shall be provided in the same manner as the documents were required to be provided to unitholders under the laws of the recognized foreign jurisdiction concerned.

(2) If the requirements in the recognized foreign jurisdiction concerned specify publication in a newspaper, the same information shall be published in two (2) daily newspapers of general circulation in Trinidad and Tobago in which financial matters are generally reported.

Language requirement 149. All offering documents and other disclosure documents delivered to investors in Trinidad and Tobago under this Part shall be in English.

Acceptable accounting principles and auditing standards for authorised foreign CIS 150. (1) For a regulated foreign CIS that has been duly authorised in accordance with this Part, the body of accounting principles that would be permitted to be used by that CIS under the securities laws of its home jurisdiction shall be considered acceptable financial reporting standards for the purposes of the Act and these Bye-laws.

(2) For a regulated foreign CIS that has been duly authorised in accordance with this Part, an auditor's report shall be prepared in accordance with such auditing standards permitted to be used by that CIS under the securities laws of its home jurisdiction, provided that such auditing standards are at least equivalent to generally accepted auditing standards.

151. Notwithstanding Bye-law 62, the auditor of a regulated foreign CIS that has been duly approved by the Commission in accordance with this Part is an acceptable auditor for that CIS for the purposes of the Act and these Bye-laws.

Acceptable
auditors for
authorised
foreign CIS

152. (1) Subject to paragraph (2), a receipt for an offering document or an amended offering document filed with the Commission under this Part shall be issued when the offering document or amended offering document, including the required addendum, and all other documentation required in this Part have been filed with the Commission.

Receipt for
offering
documents

(2) Notwithstanding paragraph (1), the Commission may refuse to issue a receipt for an offering document if it considers that any of the circumstances of section 82(2) of the Act are present.

153. (1) Each regulated foreign CIS approved under this Part shall have an agreement with a broker-dealer registered under the Act under which the broker-dealer agrees to act as principal distributor of the CIS's securities in Trinidad and Tobago.

Principal
distributor

(2) The duties of the principal distributor shall include—

- (a) distributing the units of the regulated foreign CIS in Trinidad and Tobago;
- (b) delivering the offering documents and other disclosure documents in accordance with a request from a person as required in this Part;
- (c) filing documents with the Commission on behalf of the CIS;
- (d) keeping records of transactions in the units of the CIS in Trinidad and Tobago for the purposes of reporting to the Commission and reporting same to the Commission; and
- (e) such other duties as the Commission may require.

(3) The principal distributor may act as agent for service of process if the agreement with the regulated foreign CIS so provides.

(4) The regulated foreign CIS shall provide sufficient copies of its offering documents and other disclosure documents to the principal distributor in Trinidad and Tobago so that the principal distributor may fulfill its duties under this Part.

154. Upon the termination of the agreement with the agent for service or the principal distributor, the regulated foreign CIS shall—

Change of
agent for
service or
principal
distributor

- (a) immediately notify the Commission of the termination;
- (b) immediately appoint a new agent or principal distributor; and
- (c) within twenty-one (21) days duly execute and file with the Commission a document in such form as the Commission may determine.

- Application of Bye-laws to closed-end CIS
155. All requirements of these Bye-laws apply to closed-end CIS authorised by the Commission, with the exception of—
- (a) the requirements to prepare, file and provide a Key Facts Statement to investors; and
 - (b) those provisions as permitted by Commission order.

PART XVIII

CLOSED-END CIS

- Listing requirement
156. (1) In addition to the requirements set out in Bye-law 10, a closed-end CIS offered for sale in Trinidad and Tobago shall be listed or have received conditional approval to be listed on—
- (a) the Trinidad and Tobago Stock Exchange; or
 - (b) a securities exchange in a designated foreign jurisdiction or in a foreign jurisdiction that the Commission has recognized for this purpose.
- (2) If listing permission is not granted by the relevant securities exchange before the expiration of six (6) weeks from the date of issue of the prospectus or such longer period as may be specified by the Commission, any subscriptions received for units of the closed-end CIS are void and the CIS manager shall promptly repay without interest all monies received from the subscribers.
- (3) No CIS authorised under Part III, other than a closed-end CIS, may be listed on a securities exchange.

PART XIX

SELF-MANAGED CIS

- Authorisation requirements
157. (1) Every applicant to be authorised as a self-managed CIS shall fulfill the following requirements:
- (a) be a company incorporated under the laws of Trinidad and Tobago or the laws of a recognized foreign jurisdiction;
 - (b) have a Board of Directors, a majority of whom are independent of the CIS, the CIS' sponsor or any of its related companies;
 - (c) maintain at all times minimum shareholders' equity of two (2) million dollars, other than in redeemable securities, or satisfy such capital requirements as the Commission may determine from time to time;
 - (d) have at least two (2) officers with a minimum of three (3) years' CIS related work experience in its employ;
 - (e) establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to the CIS;

- (f) have adequate human resources with the necessary qualifications, expertise and experience to manage the CIS and carry out its obligations under the Act, the General Bye-laws and these Bye-laws;
- (g) have adequate and appropriate systems, procedures and processes to undertake the activities necessary to manage the CIS in a proper and efficient manner;
- (h) have appropriate policies and procedures to:
 - (i) identify, mitigate and manage any conflicts of interest between the CIS and any party related to the CIS or its sponsor;
 - (ii) ensure best execution of trades for the CIS; and
 - (iii) prevent churning;
- (i) pay such fees as may be prescribed; and
- (j) meet such other requirements as the Commission may determine.

(2) The constituent documents of the CIS shall contain provisions allowing the CIS' investors to require the CIS to appoint a separate company as CIS manager and such power shall be exercisable by a resolution passed by at least a majority of the votes cast, in person or by proxy, at a meeting of the unitholders of the CIS duly called and held to consider the resolution.

158. (1) Where an applicant for authorisation, renewal or reinstatement as a self-managed CIS—

Authorisation
of a self-
managed CIS

- (a) is considered by the Commission to be fit and proper; and
- (b) complies with the requirements of Bye-law 157,

the Commission shall grant the authorisation, renewal or reinstatement of the applicant and may in its discretion impose such terms and conditions as it thinks necessary.

(2) Notwithstanding paragraph (1), the Commission may refuse to authorise, renew or reinstate the applicant where such approval, renewal or reinstatement is not in the public interest.

(3) The Commission shall not revoke the authorisation of a self-managed CIS under this Bye-Law without giving the self-managed CIS an opportunity to be heard.

(4) The Commission shall not revoke the authorisation of a self-managed CIS unless it is satisfied that the financial obligations of the self-managed CIS to its clients have been discharged to the extent possible.

Business restrictions 159. (1) A self-managed CIS authorised under this Part shall not act as a CIS manager or provide other services for any other CIS.

(2) A self-managed CIS authorised under this Part shall not distribute its units directly to investors unless the Commission specifically has authorised the CIS to do so.

References to CIS manager 160. References in these Bye-laws to the “CIS manager” shall be construed as references to the self-managed CIS, in any case where the Commission has granted approval under Bye-law 158 for the CIS to so act.

Application of provisions in the Act and General Bye-laws applicable to broker-dealers 161. (1) A self-managed CIS authorised under this Part shall provide the Commission notice in writing of the occurrence of any prescribed event within the prescribed period.

(2) The Commission may issue a warning to a self-managed CIS where—

- (a) the self-managed CIS ceases to carry on its business as a self-managed CIS;
- (b) the self-managed CIS had obtained authorisation under these Bye-laws by knowingly or recklessly concealing or misrepresenting any fact which is, in the opinion of the Commission, material to the application for authorisation or to the suitability of the self-managed CIS to be authorised;
- (c) the authorisation of the self-managed CIS under these Bye-laws has been made by mistake, however such mistake arose;
- (d) the self-managed CIS has defaulted in the payment of any monies due to the Commission;
- (e) such self-managed CIS fails to maintain the prescribed level of capitalisation;
- (f) the self-managed CIS is charged or convicted of an offence involving fraud or dishonesty whether in Trinidad and Tobago or elsewhere;
- (g) the self-managed CIS contravenes, or fails to comply with, any term, condition or restriction applicable in respect of its authorisation, or with a provision of these Bye-laws;
- (h) such self-managed CIS fails adequately to supervise or to conduct the activities of any other person acting for, or on behalf of, such registrant;

- (i) the self-managed CIS fails to comply with any obligation imposed on it by the Bye-Laws, the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law which may be administered or supervised by the Commission which may be in force from time to time;
- (j) the self-managed CIS ceases to meet a authorisation requirement, or a term or condition of authorisation, applicable to such person; or
- (k) the self-managed CIS is guilty of misconduct or is no longer fit and proper for authorisation.

(3) A self-managed CIS authorised under Bye-law 158 shall file with the Commission within thirty (30) business days following the end of each quarterly period in the financial year of such registrant:

- (a) a statement—
 - (i) setting forth the capital levels of the self-managed CIS as at the last day of the end of such quarterly period; and
 - (ii) setting forth the calculation utilised to determine the capital levels disclosed in paragraph (3)(a)(i);
- (b) a certificate of a senior officer of the self-managed CIS confirming the accuracy of the statement required by paragraph (3)(a); and
- (c) a statement of any additions or withdrawals of equity capital within the quarterly period.

(4) A self-managed CIS authorised under Bye-law 158 shall keep records of original entry which shall contain an itemised daily record of—

- (a) all purchases and sales of securities;
- (b) all receipts and deliveries of securities including certificate numbers;
- (c) all receipts and disbursements of cash;
- (d) all other debits and credits;
- (e) the account for which each transaction was effected;
- (f) the name of the securities to which each transaction recorded applies, their class or designation, and their number or value;

- (g) the unit purchase or sale price, if any;
 - (h) the aggregate purchase or sale price, if any;
 - (i) the trade date and the name or other designation of the person from whom the securities were purchased or received, or to whom they were sold or delivered; and
 - (j) the name of the market in which a trade took place.
- (5) A self-managed CIS authorised under Bye-law 158 shall keep ledgers or other records which shall reflect—
- (a) in detail, the assets, liability and capital accounts and the income and expenditure accounts;
 - (b) securities in transfer;
 - (c) dividends and interest received;
 - (d) securities borrowed and securities loaned; and
 - (e) money borrowed and money loaned, together with a record of related collateral and substitutions in the collateral.
- (6) Ledger accounts of a self-managed CIS required to be kept by Bye-law 161(5) shall be itemised separately showing—
- (a) all purchases, sales, receipts and deliveries of securities and commodities for the account; and
 - (b) all other debits and credits to the account.
- (7) A self-managed CIS authorised under Bye-law 158 shall keep a record of each order and any other instructions given or received, for the purchase or sale of securities, whether executed or not, and shall show with respect to each order and instruction—
- (a) its terms and conditions;
 - (b) any modification or cancellation of it;
 - (c) the account to which it relates;
 - (d) where it is placed by an individual, other than:
 - (i) the person in whose name the account is operated; or
 - (ii) the individual who is duly authorised to place orders or instructions on behalf of a unit holder that is a company,
the name or designation of the individual placing it;
 - (e) its time of entry and, where applicable, a statement that it is entered under the exercise of a discretionary power of the registrant or an employee of the registrant;

- (f) the price at which it was executed; and
- (g) the time of its execution or cancellation.

(8) A self-managed CIS authorised under Bye-law 158 shall ensure that its employees, senior officers and other agents have such education and training as are reasonably necessary to ensure that its business as self-managed CIS is conducted ethically and in accordance with industry practice.

(9) A self-managed CIS authorised under Bye-law 158 opening a branch office shall apply to the Commission for the authorisation of a new branch office, where it proposes to conduct the categories of business for which it is authorised at that branch office and the application shall be accompanied by such documents as the Commission may require and the relevant fee.

(10) The Commission may approve a branch office in Trinidad and Tobago, on such terms and conditions as it considers appropriate.

(11) For the purposes of Bye-law 161(1), the prescribed events are those set forth in Schedule 3 of the General Bye-laws as follows:

- (a) for a self-managed CIS authorised under Bye-law 158, the prescribed time for notifications to be sent to the Commission in accordance with Bye-law 161(1) shall be seven (7) days from the date of the occurrence of the prescribed event;
- (b) notwithstanding paragraph (a), the prescribed time for the notification to be sent to the Commission with respect to paragraph (e) of List B of Schedule 3 of the Securities (General) Bye-laws, 2015 shall be quarterly within five (5) business days of the end of the quarter.

(12) Where a unit holder has a debit or credit balance with a self-managed CIS authorised under Bye-law 158, the self-managed CIS shall send a statement of account to that unit holder at the end of each month in which the unit holder effects a transaction.

(13) Where a self-managed CIS authorised under Bye-law 158 is holding funds or securities of a unit holder on a continuing basis, the self-managed CIS shall forward, not less than once in every three (3) months, a statement of account to the unit holder showing—

- (a) in the case of funds, any debit or credit balance; and
- (b) in the case of securities, the details of any securities held.

(14) A statement of account sent under paragraph (13) shall indicate clearly which securities are held for safekeeping.

(15) A self-managed CIS authorised under Bye-law 158 shall take reasonable steps to—

- (a) establish the identity of a unit holder and where applicable, document any cause for concern;
- (b) ascertain whether the unit holder is a senior officer of a reporting issuer;
- (c) ensure that it has sufficient personal and financial information about a unit holder to enable it to meet its obligations when it makes a recommendation to the unit holder.

(16) If the unit holder of the self-managed CIS authorised under Bye-law 158 is an entity, the self-managed CIS shall, in order to comply with the obligation under paragraph (1)(a), establish—

- (a) the nature of the unit holder's business;
- (b) the identity of any directors; and
- (c) the identity of any person who owns ten (10) per cent or more of the paid-up share capital of the entity.

(17) The self-managed CIS authorised under Bye-law 158 must make reasonable efforts to keep the information required under this Bye-law up to date.

Self Managed fund not to act as a Broker-Dealer or CIS Manager for other funds.

162. A self-managed CIS authorised under this Part is not eligible for registration as a broker-dealer under the Act or authorisation as a CIS manager under these Bye-laws.

PART XX

MISCELLANEOUS

Imposition of penalty

163. Where a person fails to comply with a requirement of these Bye-laws, the Commission may impose a an administrative fine in accordance with section 156 of the Act.

Website requirements for CIS manager

164. (1) A CIS manager is required to maintain a website containing information relating to the CIS manager and each CIS it manages.

(2) For each CIS managed by the CIS manager, the website shall contain—

- (a) latest approved prospectus and any amendment to such prospectus;

- (b) latest approved Key Facts Statement;
 - (c) most recent audited financial statements;
 - (d) all interim financial statements since last audited statement;
 - (e) latest Quarterly Portfolio Statement;
 - (f) latest annual report;
 - (g) current net asset value of the units of the fund;
 - (h) any material change notices required under Bye-law 138; and
 - (i) any other information required by the Commission.
- (3) The website required at paragraph (1) shall contain also—
- (a) information on the key personnel of the CIS manager;
 - (b) information on any entity to which the CIS manager has outsourced functions, such as the name and address of the company and its roles and duties with respect to the CIS; and
 - (c) any other information required by the Commission.

165. (1) Where the Commission, on its own motion or on an Exemptions application by an interested person, considers it to be not contrary to the public interest, it may make an order that any person be exempted, in whole or in part, from any requirement of these Bye-laws, subject to such conditions or restrictions as may be imposed in the exemption.

(2) An order granting an exemption is effective against all persons but the Commission shall make an order revoking or modifying such an order when it finds that a determination reflected in the order is no longer consistent with the facts.

166. All policies and procedures required under these Bye-laws Written policies and procedures shall be in writing.

167. (1) The capital levels that shall be applied to registrants Capital Requirements specified in these Bye-laws may be determined by the Commission in accordance with international standards and modified from time to time by order of the Commission.

(2) The units acquired with the initial capital referred to in Bye-law 10(1)(g) may be drawn down in five (5) equal tranches commencing at the times specified in paragraph (3) and (4) below as applicable, subject to-

- (a) the Commission being satisfied that the requested draw down of initial capital would not adversely affect the investors in the fund;

- (b) the total number of units which may be drawn down in all five (5) tranches not exceeding the total number of units acquired by the CIS at the time of authorisation; and
- (c) the Commission providing written approval for each draw down request if the conditions referred to in paragraphs (a) and (b) are satisfied.

(3) In the case of CIS' pre-dating the coming into force of these Bye-Laws, the first draw down referred to in paragraph (2) above may be requested at any time after the fifth anniversary of the coming into force of these Bye-Laws.

(4) In the case of CISs which are authorised after the coming into force of these Bye-Laws, the first draw down referred to in paragraph (2) above may be requested at any time after the fifth anniversary from the date of first authorisation of the CIS under these Bye-laws.

PART XXI

TRANSITIONAL PROVISIONS

Transitional
provisions—
CIS

168. (1) For a period of two (2) years from the coming into force of these Bye-laws—

- (a) a CIS that was deemed to be registered in accordance with section 62(8) of the Act; or
- (b) a CIS in respect of which the Commission issued a receipt for a prospectus under section 73 of the Act,

shall be deemed to be duly authorised in accordance with Bye-law 12 and the distribution of the units of that CIS shall be permitted to continue.

(2) Where a CIS is deemed to be authorised in accordance with paragraph (1), the responsible person shall comply with the authorisation requirements of Bye-law 10 within two (2) years from the date of the coming into force of these Bye-laws.

(3) Where a CIS is deemed to be authorised under paragraph (1) and does not obtain authorisation under Bye-law 12 within two (2) years of these Bye-laws coming into force, it shall immediately cease distribution.

Transitional
provisions—
CIS manager

169. (1) Where a CIS is deemed to be authorised in accordance with Bye-law 168, the person performing the functions of CIS manager in respect of that CIS is deemed to be registered in accordance with Bye-law 24 and shall be permitted to continue to perform the functions of CIS manager in respect of that CIS for a period of two (2) years from the coming into force of these Bye-laws.

(2) Where a person is deemed to be registered in accordance with paragraph 1, that person shall comply with the registration requirements of Bye-law 23(2) within two (2) years from the date of the coming into force of these Bye-laws.

(3) Where a person is deemed to be registered as broker-dealer or a restricted broker-dealer to conduct the business of a CIS manager under paragraph (1) and does not obtain registration under Bye-law 24 within two (2) years of these Bye-laws coming into force, that person shall cease performing the functions of a CIS manager.

170. (1) Where a CIS is deemed to be authorised in accordance with Bye-law 167, the person performing the functions of responsible person in respect of that CIS is deemed to be authorised in accordance with Bye-law 36 and shall be permitted to continue to perform the functions of the responsible person in respect of that CIS for a period of two (2) years from the coming into force of these Bye-laws.

Transitional provisions—
responsible person

(2) Where a person is deemed to be authorised in accordance with paragraph (1), that person shall comply with the authorisation requirements of Bye-law 35 within two (2) years from the date of the coming into force of these Bye-laws.

(3) Where a person is deemed to be authorised as a responsible person under paragraph (1) and does not obtain authorisation under Bye-law 36 within two (2) years of these Bye-laws coming into force, that person shall cease performing the functions of a responsible person.

171. (1) Where a CIS is deemed to be authorised in accordance with Bye-law 168, the person performing the functions of custodian in respect of that CIS is deemed to be authorised in accordance with Bye-law 46 and shall be permitted to continue to perform the functions of the custodian in respect of that CIS for a period of two (2) years from the coming into force of these Bye-laws.

Transitional provisions—
custodian

(2) Where a person is deemed to be authorised in accordance with paragraph (1), that person shall comply with the authorisation requirements of Bye-law 45(2) within two (2) years from the date of the coming into force of these Bye-laws.

(3) Where a person is deemed to be authorised as a custodian under paragraph (1) and does not obtain authorisation under Bye-law 46 within two (2) years of these Bye-laws coming into force, that person shall cease performing the functions of a custodian.

SCHEDULE I
FEE SCHEDULE

<i>Authorisation, Registration And Renewal Fees</i>		
	Initial	Renewal
Reporting Issuer	\$8,000	\$8,000
Broker-Dealer also conducting business of a CIS manager	\$30,000	\$30,000
Broker-Dealer also conducting business of a CIS manager and an Underwriter	\$35,000	\$35,000
Restricted Broker-Dealer	\$20,000	\$20,000
Responsible Person	\$20,000	\$20,000
Responsible Person also conducting activities of a Custodian	\$25,000	\$25,000
Custodian	\$20,000	\$20,000
Registered Representative – per individual	\$2,000	\$2,000
Self-Managed Fund	\$35,000	\$35,000
Approval of the Branch Office of self-managed fund	\$1,500	\$1,500

<i>Registration Fees for Securities</i>	
Filing of a Distribution Statement	\$1,000
Market Access Fees for Securities (including close ended CISs)	0.01% of the value of the funds raised subject to a minimum of \$1,000
Market Access Fees for open ended CISs	0.01% of the value of funds raised in previous year (based on Audited accounts)

<i>Filing Fees</i>	
Filing of Prospectus	\$17,500

SCHEDULE II

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

INSTRUCTIONS

1. The objective of a prospectus distributing securities of a CIS is to provide information concerning the CIS that an investor needs in order to make an informed investment decision. This Schedule sets out specific disclosure requirements that are in addition to the general requirement to provide full and true disclosure in plain language of all material facts relating to the CIS and the securities to be distributed. This list is not intended to be exhaustive. The responsible person and the CIS manager shall disclose any information which may be necessary for investors to make an informed judgment.
2. The disclosure requirements in this Schedule do not alter the discretionary authority of the Commission, including the authority to request further information or to refuse to issue a receipt for the prospectus submitted for the CIS.
3. For an approved regulated foreign CIS, please see the requirements of Part XVII of these Bye-laws and Schedule III.
4. For CISs that have been approved to act as a self-managed CIS under Part XIX, the references below to CIS manager should be read as applying to the CIS and its officers and directors.
5. In determining the degree of detail required in a prospectus a standard of materiality shall be applied. Materiality is a matter of judgment in a particular circumstance and shall generally be determined in relation to an item's significance to investors and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the securities of the CIS. In determining whether information is material, both quantitative and qualitative factors must be taken into account. The potential significance of items shall be considered individually rather than on a net basis, if the items have an offsetting effect.
6. The Act requires the prospectus to provide full and true disclosure in plain language. All disclosure shall be written using language that will be understandable to the average readers and presented in an easy to read format. If technical terms are required, clear and concise explanations shall be included. A prospectus may contain photographs and artwork if these are relevant to the CIS and are not misleading.
7. No reference need be made to inapplicable items and, unless otherwise required in this Schedule, negative answers to items may be omitted.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

8. If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information after that date, present the information as of the date of the change or a date after the change.

CHAPTER 1

COVER PAGE

Cover Page

- I. The cover page of the prospectus shall state the following:
 - a. name of the CIS;
 - b. jurisdiction of incorporation or organisation of the CIS;
 - c. date of the prospectus;
 - d. brief details of the distribution, including
 - i. the name(s) of the classes or series of securities being distributed and its number and nominal value;
 - ii. the price(s) of the securities;
 - iii. the anticipated date of listing on a securities exchange, if applicable.
 - e. name(s) of the manager(s) of the CIS or if the CIS is self-managed, indicate as such;
 - f. in relation to a CIS with a limited offer period, state the offer period;
 - g. if there is a stipulated minimum total subscription required to be raised, state the following:
 - i. the minimum total subscription, including number of securities and dollar value;
 - ii. the time period for achieving the minimum subscription;
 - iii. a statement that if the minimum subscription is not raised within the stipulated period, that all subscriptions shall be repaid immediately;
 - h. if the CIS is a closed-end fund, so state;
 - i. the following statements shall appear in bold:

“INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.”

“FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE “RISK FACTORS” COMMENCING ON PAGE [XX].”

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

“UNITS IN THE COLLECTIVE INVESTMENT SCHEME (CIS) ARE INVESTMENTS AT THE SOLE RISK OF THE INVESTOR. THEY ARE NOT DEPOSITS, ARE NOT INSURED BY THE DEPOSIT INSURANCE CORPORATION AND ARE NOT GUARANTEED BY THE CENTRAL BANK OF TRINIDAD AND TOBAGO.”

“INVESTMENTS ARE SUBJECT TO FLUCTUATIONS IN THE MARKET VALUE OF THE UNDERLYING ASSETS, AND PAYMENTS OF CAPITAL AND INTEREST ARE ENTIRELY DEPENDENT ON THE GAINS OR LOSSES DERIVED FROM THE SECURITIES AND OTHER ASSETS COMPRISING THE CIS.”

“THERE IS NO ASSURANCE THAT THE CIS’ INVESTMENT OBJECTIVES WILL BE ACHIEVED AND INVESTORS MAY NOT RECEIVE THE AMOUNT ORIGINALLY INVESTED IN THE CIS.”

CHAPTER 2 INSIDE COVER / FIRST PAGE

1. If not already disclosed on the front cover, the prospectus shall contain the following statements on the inside cover or on page 1, or where for a regulated foreign CIS authorised in Trinidad and Tobago, in an addendum to the foreign prospectus (see Schedule III):

- a. A responsibility statement by the responsible person and CIS manager—

“Responsibility Statement”

This prospectus has been reviewed and approved by the [name of responsible person] and directors of [name of CIS manager] and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission(s) of other facts which would make any statement in the prospectus false or misleading.”; and

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- b. A statement of disclaimer—

“Statements of Disclaimer”

The Trinidad and Tobago Securities and Exchange Commission has authorised the CIS and has issued a receipt for this prospectus.

The registration of the CIS, and issuance of a receipt for this prospectus, shall not be taken to indicate that the Commission recommends the said CIS or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this prospectus.

The Commission is not liable for any non-disclosure on the part of the CIS manager responsible for the CIS and takes no responsibility for the contents of this prospectus. The Commission makes no representation on the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

- c. **Statement of rights-** Every prospectus shall contain a statement of rights given to a purchaser under the Act in the following form-

“The Securities Act, Chapter 83:02, and the Bye-laws made thereunder, provide the purchaser with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt of a prospectus or an amendment to the prospectus. The securities legislation further provides a purchaser with remedies for rescission and damages if the prospectus or any amendment contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation. The purchaser shall refer to the Securities Act, Chapter 83:02, and the Bye-laws thereunder, for the particulars of these rights or consult with a legal adviser.”

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

2. In addition to the statements required in paragraph 1, the following shall be stated:

“Investors shall note that they may seek recourse under the Securities Act, Chapter 83:02 for breaches of securities laws including any statement in the prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the prospectus or the conduct of any other person in relation to the CIS.”

3. Where applicable, a prospectus shall provide a statement stating:

“No units will be issued or sold based on this prospectus after the cessation of the distribution period”.

CHAPTER 3 TABLE OF CONTENTS, DEFINITIONS AND DIRECTORY

- | | |
|---------------------------|---|
| Table of Contents | 1. The prospectus shall be properly structured, with relevant sections and headings, for ease of reference. |
| Definitions | 2. There shall be a table of contents which lists all chapters, sections and subsections of the prospectus. |
| Investor Statement | 3. A glossary of abbreviations and terminology used shall also be provided. |
| | 4. Immediately after the table of contents, include the following statement: |

“This prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the CIS, as well as the names of persons responsible for its organisation and management.

Investors shall rely on their own evaluation to assess the merits and risks of the investment. If investors are unable to make their own evaluation, they are advised to consult a registered financial adviser.

Additional information about the CIS is available in the following documents available at <<insert where the information can be obtained>>:

The most recent Key Facts Statement;
The most recent annual financial statements;

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

*The most recent interim financial statements;
The most recent annual report; and
The most recent quarterly portfolio statement.*

These documents are incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You are encouraged to read this prospectus and the other documents mentioned above in their entirety prior to making any investment decision. You can acquire a copy of these documents at no cost to you by contacting the CIS manager or any broker-dealer that distributes the CIS.

- Corporate Directory** 5. Provide information about the manager, responsible person, custodian, portfolio adviser, principal distributor, registrar and auditor of the CIS to which the prospectus relates in the form of a diagram or table. For each entity provide the address, telephone, website, email and facsimile information.

CHAPTER 4 ORGANISATION AND MANAGEMENT OF THE COLLECTIVE INVESTMENT SCHEME

- CIS information** 1. For the purpose of this chapter, a prospectus shall include the following:
- a. name of the CIS;
 - b. information on the legal constitution of the CIS;
 - c. base currency of the CIS, if other than Trinidad and Tobago dollars;
 - d. in the case of a new CIS, the initial offer period of the CIS and its initial price;
 - e. if the prospectus is an amended or revised prospectus, insert a statement to this effect and include the date or dates on which the prospectus was amended or revised;
 - f. if the CIS is a closed-end fund, state so and include the termination date specified under the CIS' constituent documents.
- Principal persons** 2. Include the information set out in paragraph (3) below for each of the following persons:
- a. the CIS manager, its directors, and any individual who is:
 - i. in charge of a principal business unit, division or function (including sales, finance or product development) of the CIS manager,

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- ii. performing a policy-making function for the CIS manager; or
- iii. a substantial shareholder¹ of the CIS manager and is an employee of the CIS manager.

If the CIS is self-managed, provide the equivalent information for the persons at the CIS who perform these functions.

- b. the responsible person;
 - c. any investment adviser (if different from the CIS manager);
 - d. the custodian;
 - e. any parties to which key activities have been outsourced;
 - f. the principal distributor of the securities of the CIS; and
 - g. the auditor.
3. For each person identified in paragraph above, briefly disclose the services that are provided by such person to the CIS, the person's qualifications and any fees payable to such person in connection with the services provided.
4. Provide under a separate sub-heading, details of the CIS manager including the history and background of the CIS manager and any overall investment strategy or approach used by the manager in connection with the CIS for which it acts as manager.
- Affiliated entities**
5. Disclose details of any relationships or associations the CIS or any person listed in paragraph 2 has with any person that may give rise to a potential material conflict of interest.
6. For purposes of the disclosure required by paragraph 5 above, a relationship is deemed to be one that has a potential material conflict of interest if the relationship involves the CIS and –
- a. a party related to the CIS or
 - b. an affiliate of a party related to the CIS.

For this chapter, a party related to the CIS is defined in Bye-law 5 of the CIS Bye-laws and an affiliate is defined in Section 4 of the Securities Act.

¹ A substantial shareholder means, in relation to person, a shareholder that beneficially owns or controls 10% or more of any class of the person's voting securities outstanding.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

CHAPTER 5 INVESTMENT OBJECTIVES, STRATEGIES AND SUITABILITY

- | | |
|---|---|
| Investment Objectives | 1. State the fundamental investment objectives of the CIS, including information that describes the principal features of the CIS and what distinguishes it from other CISs. |
| Nature of Approval required for changes to Investment Objectives | 2. Describe the nature of any unitholder or other approval that may be required in order to change the fundamental investment objectives of the CIS and any of the material investment strategies to be used to achieve those investment objectives. |
| Investment Strategies | 3. The principal investment policy and principal investment strategies to achieve the stated investment objective shall be clearly stated. In describing the investment policy and principal investment strategies, the following information shall be disclosed: <ol style="list-style-type: none"> a. the investment focus of the CIS (e.g. equity, debenture, money market, other CISs, etc.), the characteristics of the securities or instruments to be invested in, and the asset allocation strategy. Where appropriate, the investment focus shall also include the countries or markets (e.g. global, regional or country-specific, developed or emerging markets, etc.) and target sector or industry; b. the practices, techniques or approaches used by the CIS manager in managing the investment portfolio, including its policy on active and frequent trading of securities; and c. where applicable, the circumstances in which the CIS may take a temporary defensive position, and the nature and timing of notifications those investors will receive in respect of it. A temporary defensive position is an investment strategy taken to avoid investment losses in response to adverse market, economic, political or any other condition that may be inconsistent with the CIS's principal investment strategy. The types of securities/instruments the fund would invest in as defensive positions should also be disclosed. |
| Guarantees | 4. If the CIS has arranged a guarantee or insurance in order to protect all or some of the principal amount of the investment in, or the assets of the CIS, disclose this fact and – <ol style="list-style-type: none"> a. identify the person providing the guarantee or insurance; b. disclose the material terms of the guarantee or insurance; and |

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- c. include such other disclosure as the Commission may determine.
- Suitability** 5. Include a brief statement of the suitability of the CIS for particular investors, describing the characteristics of the investors for whom the CIS may or may not be an appropriate investment, and include the level of investor risk tolerance that would be appropriate for an investment in the CIS.

CHAPTER 6 INVESTMENT RESTRICTIONS

- Investment restrictions** 1. Include a statement to the effect that the CIS is subject to certain investment restrictions and practices contained in the Act and these Bye-laws, which are designed, in part, to ensure that the investments of the CIS are diversified and relatively liquid and to ensure the proper administration of the CIS. State that the CIS is managed in accordance with these restrictions and practices.
2. State all investment restrictions that the CIS has adopted or is required to comply with by law or order of the Commission.

CHAPTER 7 RISKS

- Risks** 1. Disclose:
- a. a brief, general description of the nature of a CIS;
 - b. if a closed-end CIS, a brief description of how the CIS differs from a redeemable CIS; and
 - c. the risk factors or investment considerations that investors should take into account that are associated with investing in CISs generally.
2. At minimum, the disclosures required by paragraph 1 should include disclosure in substantially the following words:
- “CISs own different types of investments, depending upon their investment objectives. The value of these investments may change from day to day, reflecting changes in interest rates, economic conditions, as well as market and company news. As a result, the value of a CIS’s [units/shares] may go up and down, and the value of your investment in a CIS may be more or less when you redeem it [sell it on the exchange] than when you purchased it.*
- Unlike bank accounts, CIS [units/shares] are not covered by the Deposit Insurance Corporation (DIC).”*
3. Disclose the material risks associated with an investment in this CIS.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

4. Disclose whether the CIS may hold securities of a foreign CIS and disclose the risks associated with those investments.
5. For a fixed net asset value fund, include disclosure to the effect that although the CIS intends to maintain a constant price for its securities, there is no guarantee that the price will not go up and down.
6. Disclose whether the CIS offers more than one class or series of securities and disclose whether the risks that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series, if applicable.
7. If the CIS is a closed-end CIS, disclose that the trading price of the CIS on the exchange may vary from the actual net asset value of the securities owing to a number of factors outside the control of the CIS and its manager, including the supply and demand of the securities.
8. If the CIS is to enter into derivative transactions, securities lending, repurchase or reverse repurchase transactions, describe the risks associated with those transactions.
9. State whether a CIS may suspend redemptions and if so under what circumstances it may do so.

CHAPTER 8 - NET ASSET VALUE, PAST PERFORMANCE AND TOP HOLDINGS**Valuation of assets and pricing**

1. Under the sub-heading “Valuation Policies and Procedures of the Collective Investment Scheme”-
 - a. describe the methods used to value the various types or classes of assets of the CIS and its liabilities for the purpose of calculating net asset value, including
 - i. how fair market prices are determined;
 - ii. who carries out the valuation;
 - iii. what sources of information are used; and
 - iv. what controls are in place to verify the valuations, including disclosure of any annual verification by auditors;
 - b. if the person doing the valuation has discretion to deviate from the CIS’s valuation practices described in paragraph (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three (3) years, provide an example of how it has been exercised or, if it has not been exercised in the past three (3) years, so state.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

2. State:
- a. the frequency at which the net asset value is calculated, as well as the date and time of day that the net asset value is calculated;
 - b. the circumstances, if any, under which there would not be a valuation;
 - c. the method for calculating the issue and redemption prices, and the circumstances under which it can change.
- Reporting of Net Asset Value** 3. Under the sub-heading “Reporting of Net Asset Value”, describe -
- a. how the net asset value of the CIS will be made available at no cost (e.g. website, toll-free telephone line, etc.); and
 - b. the frequency at which the net asset value will be disclosed.
- Performance Data** 4. Where applicable, include performance data of the CIS calculated in accordance with the method, and for the time periods, as the Commission may determine.
5. Immediately following the presentation of the performance data, include the following -
- a. a warning statement that the manner in which the CIS has performed in the past does not necessarily indicate the manner in which it will perform in the future;
 - b. the assumptions used in the calculation of the performance data; and
 - c. any other information that, if disclosed, would materially affect the conclusions reasonably drawn from or implied by the performance data.
- Top Holdings** 6. Include a statement to the effect that the ten (10) largest holdings of the CIS and related information is set out in the Quarterly Portfolio Statement and where this can be accessed.

CHAPTER 9 - FEES AND EXPENSES

- General disclosure of fees** 1. A prospectus shall disclose all fees and expenses applicable to investing in the CIS.
2. The information required for this paragraph shall be a summary of the fees, charges and expenses of the CIS directly or indirectly payable by investors and shall be introduced using substantially the following words:

“The following lists the fees and expenses that you may have to pay if you invest in the [insert the name of the

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

CIS]. Some of these fees and expenses may be paid by you directly and others may be paid by the CIS. These fees reduce the value of your investment in the CIS and/or reduce the CIS's actual investment performance.”.

- | | |
|---|---|
| Fees and expenses payable by the CIS | <p>3. State and describe the management fees, operating expenses and all such other fees that are payable by the CIS, even if it is expected that the CIS manager or other CIS service provider will waive or absorb some or all of those fees and expenses.</p> <p>4. Describe the impact of the fees and expenses on the performance of the CIS and the value of an investor's investment in the CIS. This description can be supplemented by way of an example.</p> <p>5. For operating expenses, state whether the CIS pays all of its operating expenses and list the main components of those expenses. If the CIS pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the CIS.</p> |
| Fees and Expenses Payable Directly by the Investor | <p>6. State and describe the sales charges, switch fees, redemption fees and any other fees and expenses payable by an investor directly.</p> <p>7. If any fees of a CIS are payable directly by a unitholder and such fees may vary so that the specific amount of the fees applicable to a given unitholder cannot be disclosed in the prospectus of the CIS, or cannot be derived from the prospectus, provide as much disclosure as is possible about the fees to be paid by unitholders, including the highest possible rate or range of those fees.</p> |
| Presentation | <p>8. The fees disclosed and described in this chapter shall be summarized in the form of a table.</p> |
| Illustrations of Different Purchase Options | <p>9. Provide information, substantially in the form of the following table, concerning the amount of fees payable by an investor under the available purchase options and introduced using substantially the following words:</p> |

“The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in the CIS, held that investment for one, three, five or ten years and redeemed immediately before the end of that period. Redemption charges may apply only if you redeem your [units/shares] in a particular year.

SCHEDULE II—CONTINUED
 PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

	At the Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option	\$ -	-	-	-	-
Redemption Charge Option	-	\$	\$	\$	\$
No Load Option	-	-	-	-	-
Other purchase options	\$	\$	\$	\$	\$ ^{xx}

In preparing the table contemplated by this chapter, assume:

- a. in determining the fees paid under the sales charge option, that the maximum sales commission disclosed in the prospectus is paid by the investor; and
 - b. if the CIS has a deferred sales charge option in which the amount paid by an investor at the time of a redemption of securities is based upon the net asset value of those securities at that time, an annual return of three (3) percent since time of purchase; and
 - c. disclose the assumptions in a footnote to the table.
10. If the CIS holds securities of other CISs (target CISs), disclose that with respect to securities of the target CISs:
- a. there are fees and expenses payable by the target CIS in addition to the fees and expenses payable by the CIS offered under this prospectus;
 - b. no management fees or incentive fees are payable by this CIS that, to a reasonable person, would duplicate a fee payable by the target CIS for the same service;
 - c. no sales fees or redemption fees are payable by this CIS in relation to its purchases or redemptions of the securities of the target CIS if the target CIS is managed by the manager or an affiliate or associate of the manager of the CIS offered under this prospectus; and
 - d. no sales fees or redemption fees are payable by this CIS in relation to its purchases or redemptions of securities of the target CISs that, to a reasonable person, would duplicate a fee payable by an investor in this CIS.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

	11. If the CIS permits negotiation of a management fee rebate, provide disclosure of these arrangements.
Management expense ratio	12. State the management expense ratio of the CIS for each of the last four completed financial years of the CIS, or if the CIS has not completed four financial years, for each completed financial year since the organisation or constitution of the CIS.
	13. State the methodology used by the CIS manager to calculate the management expense ratio including all the assumptions used.
Others	14. Rebates and soft commissions shall be disclosed and the CIS manager's policy on rebates and soft commissions shall be explained.
CHAPTER 10-	TAXATION
Taxation of CIS	1. State in general terms the basis upon which the income and capital receipts of the CIS are taxed, taking into account any distinctive characteristic of the CIS, such as investments in foreign securities.
Tax considerations for investors	2. Briefly describe the income tax consequences for investors of: <ol style="list-style-type: none"> a. any distribution to the unitholders in the form of dividends or otherwise, including amounts reinvested in units of the CIS; b. gains or losses that occur on the redemption or sale of units of the CIS by investors; and c. any transfers between CIS, if applicable.
Further advice	Investors should also be advised to seek professional advice regarding their own particular tax circumstances.
CHAPTER 11-	FINANCIAL STATEMENTS
Financial statements	1. Where applicable, a CIS that files a prospectus shall include the audited financial statements and the annual report as required below.
	2. Where applicable these documents include: <ol style="list-style-type: none"> a. the annual comparative financial statements of the CIS filed with the Commission for each of the three (3) most recently completed financial years of the CIS ending more than ninety days prior to the date of the prospectus. b. the interim financial statements of the CIS filed with the Commission for the most recently completed interim period of
Annual financial statements	
Interim (Semi-annual) financial statements	

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- the CIS ending more than sixty (60) days prior to the date of the prospectus.
- Annual report** c. the annual report of the CIS filed with the Commission for the most recently completed financial year of the CIS ending more than ninety (90) days prior to the date of the prospectus.
- Approval of financial statements and related documents** 3. A CIS Sponsor shall not file a prospectus unless each financial statement included in, or incorporated by reference into, the prospectus has been approved or certified in accordance with the Act or these Bye-laws.

CHAPTER 12 – INVESTORS' RIGHTS

- Statutory rights of withdrawal and rescission and other unitholder rights**
1. Provide a brief explanation of an investor's statutory rights of withdrawal, rescission and damages.
 2. Include a statement outlining other rights that investors will be entitled to as unitholders of the CIS. The information included in this paragraph should include but not be limited to:
 - a. the right to vote on proposed changes to the CIS;
 - b. the right to receive annual reports, financial statements and other information on the CIS;
 - c. the right to attend and/or vote at periodic meetings of unitholders; and
 - d. such other information as may be applicable.
 3. Disclose what arrangements will be made to vote on the securities held by the CIS.

CHAPTER 13 - MATERIAL DOCUMENTS AND AVAILABILITY FOR INSPECTION

- Documents to be made available for inspection**
1. A prospectus shall contain a statement that a copy of the following documents, where applicable, may be inspected without charge during regular business hours at the registered office of the CIS manager and at each branch of the CIS manager at which the units of the CIS are distributed, or such other place as the Commission may determine—
 - a. the constituent documents of the CIS;
 - b. the current prospectus and any supplement or amendment, if any;
 - c. the latest annual audited and interim financial statements of the CIS;
 - d. the latest annual report of the CIS;

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- e. each material contract disclosed in the prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
- f. where applicable, the audited financial statements of the CIS manager for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- g. any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in the prospectus. Where a summary expert's report is included in the prospectus, the corresponding full expert's report shall be made available for inspection; and
- h. written and relevant cause papers for all material litigation and arbitration disclosed in the prospectus.

Material contract 2. A material contract is a document, contract, or agreement that can reasonably be regarded as material to a prospective investor, and shall include, but shall not be limited to any agreement with the CIS manager, investment adviser, custodian or a distributor of the CIS.

Disclosure 3. A prospectus shall include the key particulars of all documents listed in paragraph (1) and the particulars of material contracts shall include but not be limited to the following-

- a. the date of the contract;
- b. the parties to the contract;
- c. a general description of the nature of the contract; and
- d. the termination provisions.

CHAPTER 14 - SUBSCRIPTION INFORMATION

Application for securities

1. Include instructions describing how to subscribe for or purchase the securities of the CIS being distributed under the prospectus.
2. The instructions and procedures shall include information, such as minimum initial investment, minimum additional investment, switching, transfer of units, etc. The instructions and procedures shall also take into account the different procedures adopted by different distribution channels.
3. The entities through which the securities may be purchased shall be disclosed, (e.g. bank, broker, CIS manager, sales agent, financial planner, etc.). Cross-reference shall be made to a complete list of distribution offices at the end of the prospectus, where applicable.

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

4. State the address(es) where completed subscriptions shall be sent, as well as instructions as to whom and when payment shall be made.
5. Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses. Include a cross-reference to the disclosure provided under Chapter 9 [Fees and Expenses] of this Schedule.

CHAPTER 15 - REDEMPTION OF SECURITIES

Redemption of securities

Under the heading “Redemption of Securities”, describe when and how investors may redeem securities of the CIS, including:

- a. the procedures to be followed by an investor who desires to redeem securities of the CIS specifying the procedures to be followed and the documents to be delivered before a redemption order pertaining to securities of the CIS will be accepted by the CIS for processing and before payment of the proceeds of redemption will be made by the CIS. The instructions and procedures shall include information, such as any minimum repurchase amount, switching, transfer of units, etc. The instructions and procedures shall also take into account the different procedures adopted by different distribution channels;
- b. the maximum interval between the request for redemption and the dispatch of the redemption proceeds;
- c. how the redemption price of the securities is determined. For redeemable CIS, state that the redemption price of the securities is based on the net asset value of a unit of that class, or series of a class, next determined after the receipt by the CIS of the completed redemption order. For closed-end CIS, describe when and how the relevant net asset value of the CIS will be calculated on the termination of the CIS; and
- d. the circumstances under which the CIS may suspend redemptions of the securities of the CIS.

CHAPTER 16 - DIVIDENDS OR DISTRIBUTIONS

Dividends or distributions

1. Disclose the CIS dividend or distribution policy and any intended change in dividend or distribution policy.
2. Describe any restrictions or circumstances that could prevent the CIS from paying dividends or distributions.
3. Where applicable, disclose the amount of cash dividends or distributions declared per unit for each class of the issuer’s securities

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

for each of the three most recently completed financial years and the current financial year.

4. Where investors are given an option to reinvest distributions, the following shall be disclosed:
 - a. the costs incurred by investors when exercising the option;
 - b. unit price at which the distribution would be reinvested into additional units; and
 - c. business day at which the distribution would be deemed to have been reinvested into additional units.

CHAPTER 17 – RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

1. A prospectus shall disclose the existing and proposed transactions involving the CIS and any party related to the CIS, where applicable, together with steps taken to resolve any conflict of interest. Such disclosure is also required if the CIS enters into any transaction with key personnel of any party related to the CIS or any person connected to them.
2. The CIS manager shall disclose its policy on dealing with any conflict of interest situation whether with outside parties or its own personnel (e.g. dealing in securities by employees, directors, investment committee members, etc.).
3. The prospectus shall provide details of any direct or indirect interest held by the CIS manager's directors and substantial shareholders in another corporation carrying on a similar business.
4. The prospectus shall provide details of any expert's existing and potential interests or conflicts of interest vis-à-vis the CIS or the CIS manager.

CHAPTER 18 - COLLATERAL POLICY AND CRITERIA

Collateral policy Where the CIS will invest in repurchase agreements, reverse repurchase agreements or engage in securities lending transactions, disclose the selection criteria, nature and policy regarding the collateral held by the CIS and description of the holdings of collateral, including:

- a. the nature of the collateral;
- b. identity of counterparty providing the collateral;
- c. the credit quality of the issuer of the collateral;
- d. the source, basis and frequency of valuation of collateral;

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- e. circumstances under which the collateral may be enforced and whether it will be subject to any net-off or set-off;
- f. description of haircut policy (if any);
- g. description of diversification requirements (if any);
- h. value of the CIS (by percentage) secured/ covered by collateral with breakdown by asset class/ nature and credit ratings;
- i. the name of the independent custodian of the collateral;
- j. brief description of operational and legal risk management policy in place for the management of the collateral;
- k. statement that the collateral is readily accessible by the independent custodian without further recourse; and
- l. statement that the collateral will not be applied for any purpose other than for the purpose of being used for the transaction.

CHAPTER 19 - TERMINATION OR MERGER OF THE CIS

The prospectus shall:

- a. outline the general circumstance in which the CIS can be terminated or merged;
- b. set out the date a closed-end CIS terminates as specified in its constituent documents;
- c. set out the extent to which investor approval or consent is required to effect the transaction;
- d. disclose the criteria governing the suspension of subscriptions and redemptions of the CIS; and
- e. disclose that when a decision to terminate is made, the responsible person will prepare a termination plan, the key contents of which shall be communicated to investors.

CHAPTER 20 - ADDITIONAL INFORMATION FOR CLOSED-END CIS

If the issuer is a closed-end CIS, include the following information under the heading “Details of the Distribution” immediately after the information in Chapter 4 above.

- | | | |
|---|----|---|
| Details of the Distribution | 1. | State the following dates in respect of the distribution: <ul style="list-style-type: none"> a. the opening and closing dates of the distribution; b. the date for the allotment of units; and c. the date of listing of the units on a securities exchange. |
| Purpose Securities to be distributed | 2. | Describe the purpose(s) of the distribution. |
| | 3. | Provide the full details of: <ul style="list-style-type: none"> a. the number and type of units to be distributed; b. the classes of securities and rights attached to the units regarding voting, dividends, liquidation and any special rights; |

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

		<ul style="list-style-type: none"> c. the number of units proposed to be distributed to different groups of purchasers; d. the terms and conditions for each class of units of the issuer where there is, or is to be, more than one class of units of the issuer outstanding.
Pricing	4.	<p>Provide full details about the pricing of units, including the following:</p> <ul style="list-style-type: none"> a. Prices applied to different classes of investors; and b. Bases for determination of the issue/offer price. Such bases should be clearly explained.
Proceeds	5.	<p>Provide full details concerning:</p> <ul style="list-style-type: none"> a. the minimum subscription amount needed to be raised in order to satisfy the purposes of the distribution; b. the estimated net cash proceeds from the distribution; c. the principal purposes, with approximate amounts, for which the proceeds raised from the distribution will be utilized; d. the time frame for full utilisation of the proceeds from the distribution; and e. the expenses incurred by the issuer in connection with the distribution on an aggregate basis, including the aggregate remuneration paid for services of experts.
Underwriting	6.	<p>If the distribution is underwritten, include the names of each underwriter and the amounts proposed to be underwritten by each.</p>
Listing application	7.	<p>Where an application has been made to list the securities of the closed-end CIS being distributed, include a statement, in substantially the following form, with bracketed information completed:</p> <p><i>The issuer has applied to list the securities distributed under this prospectus on [name of exchange or other market]. Listing will be subject to the issuer fulfilling all the listing requirements of [name of exchange].</i></p>
Conditional listing approval	8.	<p>Where an application has been made to list the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:</p> <p><i>[Name of exchange] has conditionally approved the listing of these securities. Listing is subject to the [name of issuer]'s fulfilling all of the requirements of the [name of exchange] on or before [date], [including distribution of these securities to a minimum number of public investors].</i></p>

SCHEDULE II—CONTINUED

PROSPECTUS DISCLOSURE REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEMES

- Failure to list**
9. A prospectus shall disclose the following:
- a. where a prospectus states or implies that an application has been made for permission for the units offered to be listed on a stock exchange, any subscription for units under the prospectus will be void if the listing permission is not granted before the expiration of six (6) weeks from the date of issue of the prospectus or such longer period as the Commission may determine; and
 - b. where permission has not been granted by the exchange within the time period mentioned above, the CIS manager will repay without interest all monies received from the subscriber.

CHAPTER 21 -

CERTIFICATES

- Certificate by issuer – local CIS**
1. A prospectus of a CIS filed with the Commission by a CIS organised in Trinidad and Tobago shall contain a certificate in the following form signed for the CIS as required in paragraph (3):

“The foregoing, together with the documents incorporated herein by reference, constitutes full and true disclosure of all material facts relating to the collective investment scheme and its securities distributed by this prospectus as required by the Securities Act, Chapter 83:02, and the Collective Investment Scheme Bye-laws.”.

- Approval**
2. If a CIS is constituted
- a. as a trust or a company, the certificate required by paragraph (1) shall be approved by the directors of the responsible person and the approval shall be evidenced by the signatures of two (2) directors duly authorised to signify the approval; and
 - b. other than as a trust or company, the certificate required by paragraph (1) shall be approved by any two (2) persons authorised to sign on behalf of the responsible person and the approval shall be evidenced by the signatures of two (2) such persons duly authorised to signify the approval.

- Certificate by underwriter**
3. Where there is an underwriter, a prospectus of a CIS shall contain a certificate in the following form, signed by the underwriter or underwriters who, with respect to the securities offered by the prospectus, are in a contractual relationship with the issuer whose securities are being distributed by the prospectus –

“To the best of our knowledge, information and belief, the foregoing constitutes full and true disclosure of all material facts relating to the issuer and the securities distributed by this prospectus.”.

SCHEDULE III

APPENDUM FOR REGULATED FOREIGN CIS

1. The addendum for each offering document and any amended offering document for a regulated foreign CIS shall contain:
 - a. the foreign jurisdiction where the CIS is domiciled, and the name of the securities regulator regulating the CIS and the CIS manager;
 - b. a statement that the CIS is approved, authorised, or registered, as the case may be, by the securities regulator in the foreign jurisdiction and under the primary supervision of that regulator;
 - c. the name of the legislation in the foreign jurisdiction governing the CIS;
 - d. a statement of the fact that the offering document incorporates an offering document registered outside Trinidad and Tobago in respect of the CIS;
 - e. the name and address of the broker-dealer that has been appointed the principal distributor of the CIS in Trinidad and Tobago; and
 - f. the name and address of the person appointed the agent for service of the CIS in Trinidad and Tobago, if different from (e) above.

2. The addendum to each offering document or amended offering document shall also contain the following statements:

“Responsibility Statement”

This prospectus has been reviewed and approved by the directors of [name of CIS manager] and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the prospectus false or misleading.”

“Statements of Disclaimer”

“The CIS is established in <<insert name of foreign jurisdiction>> and is regulated by <<insert name of the regulator>>. As such, the CIS is not generally subject to all of the requirements of the CIS Bye-laws issued by the Commission.”

“The Commission has approved the authorisation of the CIS and a copy of this prospectus has been received by the Commission.”

“The authorisation of the CIS, and receipt for this prospectus, shall not be taken to indicate that the Commission recommends the CIS or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this prospectus.”

“The Commission is not liable for any non-disclosure by the CIS or any party acting on its behalf and takes no responsibility for the contents of this prospectus. The Commission makes no representation on the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.”

SCHEDULE III—CONTINUED
APPENDUM FOR REGULATED FOREIGN CIS

“Statements of rights”

“The Securities Act, Chapter 83:02, and the Bye-laws made thereunder, provide purchasers in Trinidad and Tobago with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt of a prospectus or an amendment to the prospectus. The securities legislation further provides a purchaser with remedies for rescission and damages if the prospectus or any amendment contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation. The purchaser shall refer to the Securities Act, Chapter 83:02, and the Bye-laws thereunder, for the particulars of these rights or consult with a legal adviser.”

“Investors shall note that they may seek recourse under the Securities Act, Chapter 83:02 for breaches of securities laws including any statement in the prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the prospectus or the conduct of any other person in relation to the CIS.”

“Cautions”

“This distribution is being made by a foreign collective investment scheme pursuant to disclosure documents prepared in accordance with foreign securities laws. Purchasers should be aware that these requirements may differ from those of Trinidad and Tobago”.

“[All of] [Certain of] of the directors and officers of the foreign collective investment scheme, and [all of] [certain of] the experts named in this offering document reside outside of Trinidad and Tobago. [Substantially] all of the assets of these persons and of the regulated foreign CIS may be located outside of Trinidad and Tobago. The foreign collective investment scheme has appointed (name and address of agent for service) as its agent for service of process in Trinidad and Tobago. It may not be possible for investors to effect service of process within Trinidad and Tobago upon the directors and officers referred to above. It may also not be possible to enforce judgments obtained in Trinidad and Tobago against the foreign collective investment scheme or its directors, officers and key service providers named in this prospectus.”

“Purchasers should be aware that the expert(s) responsible for any expertise statement, report or opinion in the offering document [has] [have] not submitted to the jurisdiction of Trinidad and Tobago and therefore it may not be possible for an investor to take legal proceedings against the expert(s) in Trinidad and Tobago”.

SCHEDULE III—CONTINUED
APPENDUM FOR REGULATED FOREIGN CIS

3. A prospectus or addendum to the prospectus of a CIS filed with the Commission by a regulated foreign CIS approved by the Commission, or any amendment to either of those documents, shall contain a certificate in the following form signed for the CIS as by the authorised persons on behalf of the CIS:

“The prospectus, addendum and the documents incorporated herein by reference, constitutes full and true disclosure in plain language of all material facts relating to the securities being distributed by this prospectus.”

4. Each offering document and amended offering document used for a distribution under this Part shall have the following printed on the outside front cover:

“The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.”

SCHEDULE IV
INVESTMENT RESTRICTIONS

CORE INVESTMENT RESTRICTIONS

Application	1.	<p>For the purposes of this Schedule:</p> <ol style="list-style-type: none"> 1. Except as otherwise provided, the investment restrictions set out shall be maintained at the time of, and following, the acquisition and disposal of any security. 2. In determining compliance with these restrictions, a CIS shall assume the exercise of any conversion rights held by it. 3. An issuer of an asset-backed security shall be treated separate and distinct from the issuer of the underlying security. 4. The limits set out in this Schedule are not to be taken as permitting any investment not otherwise permitted under the CIS's constituent documents or offering documents or as releasing any party related to the CIS from any of the duties and obligations owed to the CIS and its unitholders under these Bye-laws.
Control Restriction	2.	<ol style="list-style-type: none"> 1. A CIS shall not purchase a security of an issuer for the purpose of exercising control or direction over, or control or direction over the management of, the issuer of the security. 2. A CIS shall not hold securities representing more than 10% of the outstanding voting securities of an issuer or outstanding equity securities of an issuer.
Concentration Restriction	3.	<ol style="list-style-type: none"> 1. Unless stated otherwise, the value of a CIS's holdings: <ol style="list-style-type: none"> a. of any class of securities issued by a single issuer shall not exceed 10% of that class of securities; and

SCHEDULE IV—CONTINUED

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		<p>b. of securities issued by any single issuer shall not exceed 10% of the CIS's total net asset value.</p> <p>2. An exemption from paragraph (1) may be considered on a case-by-case basis for a CIS whose sole objective is to track an index with constituent stocks exceeding the 10% restrictions.</p>
Government Securities	4.	<p>1. The value of a scheme's holdings in any one issue of government and other public securities shall not exceed 30% of that issue.</p> <p>2. An issue of government securities shall be deemed to be different from another issue if the securities are issued on different terms, such as different repayment dates, interest rates, the identity of the guarantor, or other material terms.</p> <p>3. For the purposes of this Schedule IV, "government and other public securities" means:</p> <p>a. any security issued by the Government of the Republic of Trinidad and Tobago,</p> <p>b. any security in which the payment of principal and interest is guaranteed by the Government of the Republic of Trinidad and Tobago; or</p> <p>c. any fixed interest security issued by a government entity in Trinidad and Tobago.</p>
Illiquid Securities	5.	<p>1. Unless otherwise stated where, securities are not:</p> <p>a. listed;</p> <p>b. quoted;</p> <p>c. readily tradeable on a securities market; or</p> <p>d. readily tradeable on an over-the-counter market,</p> <p>the value of the CIS's holdings of such securities shall not exceed 10% of its total net asset value.</p>

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		(2) Paragraph 5(1) does not apply to government and other public securities (as defined in paragraph 4(3) of this Schedule IV).
Warrants, Options, Futures, Commodities and other derivatives	6.	<ol style="list-style-type: none"> 1. CIS may invest in warrants, options, futures, commodities and other derivatives, for hedging purposes only. 2. The writing of uncovered options is prohibited.
Investments in Other CIS	7.	<ol style="list-style-type: none"> 1. For the purposes of this paragraph, CIS A is the acquiring CIS and CIS B is the acquired CIS. 2. Subject to paragraph 5, the value of CIS A's holdings in units of CIS B shall not exceed 20% of the total net asset value of CIS A. 3. CIS A's holdings in CIS B shall not exceed 25% of the units of CIS B. 4. CIS A shall not hold units of CIS B where the valuation of units of CIS B is less frequent than the valuation of units of CIS A.
Limitation on Charges/ Borrowings	8.	<ol style="list-style-type: none"> 1. The maximum borrowing of a CIS shall not exceed 5% of its total net asset value. 2. Borrowing of a CIS can only be used for the temporary purposes of meeting redemption requests while the CIS effects an orderly liquidation of portfolio assets, or permitting the CIS to settle portfolio transactions. 3. For purposes of this Schedule, a transaction shall be deemed to be temporary if the borrowing is repaid within six months from the date of borrowing.
Limitations on Real Property	9.	<ol style="list-style-type: none"> 1. A CIS shall not invest in any type of real property or interests in real property.

SCHEDULE IV—CONTINUED
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		<p>2. Subject to the investment restrictions in this Schedule, a CIS may invest in shares in real estate companies and interests in real estate investment trusts (REITs).</p> <p>3. The limitation at paragraph (1) does not apply to a CIS that is a REIT.</p>
Limitations on Making Loans	10.	A CIS shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the responsible person.
Limitations on Securities in which Directors/ Officers have Interests	11.	A CIS shall not invest in any security of any class in any company or body if any senior officer of the CIS manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class, or, collectively the directors and officers of the CIS manager own more than 5% of those securities.

Dated this 3rd day of March, 2023.

C. IMBERT
Minister of Finance