



OPENING REMARKS
LYSTRA LUCILLIO
CHIEF EXECUTIVE OFFICER (AG.)
Market Outreach Session 'Towards a Resilient Securities Market'
Tuesday 6th September 2022
8:30am-10:30am
La Boucan Room, Hilton Trinidad & Conference Centre

- Members of the Board of Commissioners, of the TTSEC
- Representatives from the Securities Dealers Association of Trinidad and Tobago
- Representatives from the Mutual Fund Association of Trinidad and Tobago
- Registrants
- Staff of the Commission

Good morning!

I am pleased to welcome participants to the TTSEC's first *in-person* Market Outreach Session since the onset of COVID-19 pandemic.

The deterioration in global economic conditions as a result of the pandemic and the ongoing Soviet-Ukraine war are having the combined effect of fuelling a recession at an international scale. The effect of these events placed significant pressures on financial markets worldwide and while the Trinidad and Tobago financial system was not insulated, it withstood these shocks.

Over the last two years, innovation and adaptability have been the cornerstones of our driving force as we sought new ways to move forward and overcome the challenges amidst the pervasive and long-term effects of the pandemic.

Advancing our technological capacity, by way of the rollout of our electronic registration platform, the development of online communications as well as the upgrading of our systems to enhance the way we do business, have been the cornerstones for ensuring more efficient and effective regulation of the securities industry.

Every advancement, however, is not without its challenges, and as such we must thank our market participants for their patience, support and cooperation in making the necessary adjustments towards a new way of doing business that will contribute to a more progressive market.

The Central Bank in its latest Financial Stability Report noted that despite the challenges posed by the pandemic and an uncertain global environment, Trinidad and Tobago's financial system remains resilient.

According to the Financial Stability Report, domestic economic conditions improved in the second half of 2021, the domestic financial sector remained buoyant throughout the year and that overall, institutions' capital and liquidity buyers were stable, with improvements in asset quality and profitability ratios in some sectors¹.

In like manner, the key performance indicators of the securities industry, during the peak of the pandemic from December 2020 to December 2021, revealed that market capitalisation increased by 11% or TT\$14.40Bn from December 2020; the Assets under Management of Collective Investment Schemes grew by 6.4% or TT\$3.83Bn; there was an average 17% or TT\$1.04Bn increase in the value of total Repo Liabilities and there was even a slight increase of 6.6% in the number of entities registered with the TTSEC.

~~This is indicative of the strength of the Trinidad and Tobago securities market against external shocks as experienced during the period 2020-2021.~~

This year, incidentally, is our 25th anniversary year and while much has changed, our mandate and core principles have not. We remain resolute and as

committed now since our inception in 1997 to developing a fair and orderly securities market and protecting investors.

We continue to keep the lines of communication open, as evidenced by today's market outreach, and to ensure that our stakeholders remain abreast of any changes in how the market is regulated.

In preparation for this session, we asked for your input on the issues that touch and concern you the most and, among those, some common areas included:

- 1. The CIS By-Laws**
- 2. Disclosure Requirements, EASi onboarding and**
- 3. Reporting Requirements - MMPRF, RAQ, CIS Volume Reports and Capital Adequacy**

These have been addressed on the agenda and other matters raised would be addressed in the open forum.

As market players, you have a duty to the investing public. The way of doing business is evolving hence we must also be mindful of the rate at which these changes in the market are impacting the trust and confidence in the industry.

The sophistication, complexity and proliferation of investment opportunities and, conversely financial scams, make it increasingly difficult for uninformed individuals to avoid the pitfalls of investing. Education therefore becomes increasingly important from the perspective of the registrant and regulator.

The ongoing negative impacts of these complexities and fraudulent exposures continue to affect the financial wellbeing of the general public and their susceptibility to investment scams. It is due to these vulnerabilities, we have sought to improve the public's accessibility to the TTSEC, with the introduction of an Investor Protection mobile app, to combat investment fraud. This app, which was launched in August 2021, allows users to submit complaints and tips about alleged scams directly to the TTSEC from their mobile devices.

As we continue to grow and progress the market for future generations, we acknowledge and thank all registrants for their compliance with our local securities law in addition to your co-operation and willingness to partner with the TTSEC to improve market efficiencies. We also value your focus on fairness, integrity and good corporate governance as foundational pillars of your respective business models.

We encourage your open and honest discourse and look forward to improved and strengthened relations in the years ahead.

I thank you.

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ⁱ <https://www.central-bank.org.tt/sites/default/files/latest-news/financial-stability-report-visual-summary-20220817.pdf>