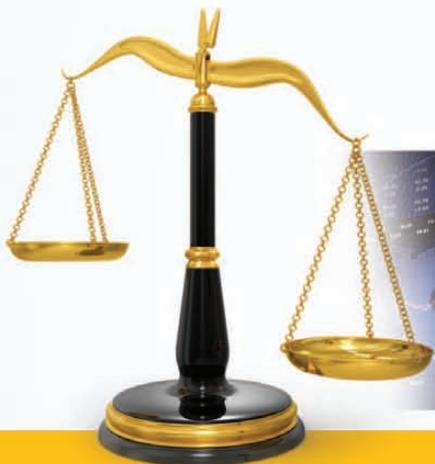




# TRINIDAD & TOBAGO SECURITIES & EXCHANGE COMMISSION



# 2013

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## ANNUAL REPORT

Regulating the Securities Industry so that you can  
Invest with Confidence

[www.ttsec.org.tt](http://www.ttsec.org.tt)



# 2013

ANNUAL REPORT

## *OUR VISION*

To be an effective regulator of the capital market in which stakeholders have confidence.

## *OUR MISSION*

To administer the Securities Act to promote transparency and integrity in the capital market through a committed and competent team of professionals in order to protect investors and foster the orderly growth and development of the market.

# CONTENTS



*Regulating the Securities Industry so that you can Invest with Confidence*



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<b>LETTER OF TRANSMITTAL</b>	1
<b>FUNCTIONS OF THE COMMISSION</b>	2
<b>THE COMMISSIONERS</b>	3
<b>CHAIRMAN'S MESSAGE</b>	
<b>Introduction</b>	4
<b>Securities Act, 2012</b>	4
AML/CFT	4
<b>Economic Developments</b>	5
<b>International Affairs</b>	5
The IOSCO MMoU	5
Inter-American Regional Committee (IARC) of IOSCO	5
IOSCO's Growth and Emerging Markets Committee	5
<b>Partnering with Other Jurisdictions</b>	6
<b>Investor Education</b>	6
<b>Staff Development</b>	6
<b>Strategic Plan 2014-2018</b>	6
<b>Changes to the Board of Commissioners</b>	6
<b>Information Technology</b>	6
<b>Hosting of International Meetings</b>	7
<b>Other Matters</b>	7
<b>Acknowledgements</b>	7
<b>Conclusion</b>	7
<b>SECURITIES AND FINANCIAL MARKET DEVELOPMENTS</b>	
<b>Trinidad and Tobago Securities Market Developments</b>	8
Trinidad and Tobago Stock Market	8
Secondary Bond Market	9
Mutual Funds	9
Market Developments	10
<b>Regional Markets</b>	10
Jamaica Stock Market	10
Barbados Stock Market	11
<b>MANAGEMENT</b>	12
<b>MANAGEMENT DISCUSSION</b>	
<b>Registration of Market Actors and Securities</b>	13
Registration of Securities	13
Debt Securities	14
Securitised Instruments	14
Equities	14



## CONTENTS

### MANAGEMENT DISCUSSION

<b>Monitoring Market Development and Conduct</b> .....	15
Legislation .....	15
Investigations and Investor Complaints .....	15
Trinidad and Tobago Stock Exchange Applications .....	16
Monitoring of Trading Activity .....	16
Compliance with Material Change Provisions .....	16
Compliance with the Commission's Presentation of Performance Standards .....	17
<b>Compliance and Inspections</b> .....	17
Power to conduct Compliance Reviews .....	17
<b>Regulation and Enforcement</b> .....	18
Investigations Manual .....	18
International Organisations .....	18
<b>Collaboration</b> .....	19
MOU between the TTSEC and CBTT .....	19
Protocol between the TTSEC and SDATT .....	19
MOU between the TTSEC and FIU .....	19
Market Initiative Group .....	19
<b>Policy, Research and Planning Developments</b> .....	19
<b>Developing and Delivering Programmes of Investor Education</b> .....	20
Webinar (Web-based Seminar) .....	20
Use of Digital Media and Technology .....	20
Investor Education Competition .....	20
Interactive Outreach Sessions .....	20
Traditional Media .....	20
Improving the image of the Commission through greater engagement of the public .....	21
Information and Communication Technology .....	21
Human Resource and Training .....	22
Recruitment .....	22
Staffing .....	22
Training and Development .....	22
In Memory .....	22

<b>STAFF OF THE COMMISSION</b> .....	23
--------------------------------------	----

<b>APPENDICES</b> .....	27
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<b>FINANCIAL STATEMENTS</b> .....	39
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## LETTER OF TRANSMITTAL

January 31, 2014

Senator the Honourable Larry Howai  
Minister of Finance and the Economy  
Eric Williams Financial Complex  
Independence Square  
Port of Spain

Dear Minister Howai,

In accordance with the provisions of Section 20 (1) of the Securities Act, 2012, I submit the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2013 together with a copy of the Annual Audited Statement of Accounts certified by our auditors.

I would be grateful if you could advise me when this report is laid in Parliament as the Act requires that copies be made available to the public after it has been so laid.

Yours faithfully,

PROFESSOR PATRICK WATSON  
*Chairman*  
Trinidad & Tobago Securities and Exchange Commission



## FUNCTIONS OF THE COMMISSION



ADVISE

MAINTAIN SURVEILLANCE

REGISTER, AUTHORIZE & REGULATE

SUPERVISE

CONDUCT INSPECTIONS

PROTECT INTEGRITY

EDUCATE & PROMOTE

CO-OPERATE & PROVIDE

ENSURE COMPLIANCE

CREATE & PROMOTE

The TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION (the Commission) was established by the Securities Industry Act, 1995 (the Act). This Act was repealed and replaced by the Securities Act, 2012. (SA 2012). The Commission is an autonomous body whose primary role is to regulate the securities industry in Trinidad and Tobago and for all related matters. The functions of the Commission, as outlined in Section 6 of the SA 2012, are as follows:

- (a) advise the Minister on all matters relating to the securities industry;
- (b) maintain surveillance over the securities industry and ensure orderly, fair and equitable dealings in securities;
- (c) register, authorize or regulate, in accordance with this Act, self-regulatory organizations, broker-dealers, registered representatives, underwriters, issuers and investment advisers, and control and supervise their activities with a view to maintaining proper standards of conduct and professionalism in the securities industry;
- (d) regulate and supervise the timely, accurate, fair and efficient disclosure of information to the securities industry and the investing public,
- (e) conduct such inspections and examinations of self-regulatory organizations, broker-dealers, registered representatives, underwriters, issuers and investment advisers as may be necessary for giving full effect to this Act;
- (f) protect the integrity of the securities market against any abuses arising from market manipulating practices, insider trading, conflicts of interest and other unfair and improper practices;
- (g) educate and promote an understanding by the public of the securities industry, and the benefits, risks, and liabilities associated with investing in securities;
- (h) co-operate with and provide assistance to regulatory authorities in Trinidad and Tobago, or elsewhere;
- (i) ensure compliance with the Proceeds of Crime Act, any other written law in relation to the prevention of money laundering and combatting the financing of terrorism or any other written law that is administered or supervised by the Commission; and
- (j) create and promote such conditions in the securities industry as may seem to it necessary, advisable or appropriate to ensure the orderly growth, regulation and development of the securities industry and to further the purposes of this Act.

## THE COMMISSIONERS



PROFESSOR PATRICK WATSON



HORACE MAHARA



MARSHA KING



RAVI RAJCOOMAR



NALINEE KHEMRAJ



DR. SHELTON NICHOLLS



## CHAIRMAN'S MESSAGE

The fiscal year October 2012 – September 2013 was a significant one for the Trinidad and Tobago Securities and Exchange Commission. During that year, the Securities Industry Act, 1995, was repealed and replaced by the Securities Act, 2012: an Act to protect the investor, promote integrity and transparency and foster the development of the capital market in Trinidad and Tobago. In light of the change in the legislative and regulatory framework, the Commission received additional powers and functions, which it will use judiciously in order to promote the growth and integrity of the securities industry, through a consultative and collaborative approach with all its stakeholders.

### SECURITIES ACT, 2012

The new legislation promotes regulatory co-operation and greater disclosure obligations; shifts the focus from issuer to activity and investor; strengthens the regulatory framework; fosters transparency; enhances the TTSEC's enforcement powers and places greater emphasis on prosecuting market misconduct and manipulation. The new Act may be described as forward-looking since it incorporates a regulatory system that allows the Commission to adapt readily to market innovation and subsequently, evaluate systemic risk.

During the year under review, in addition to executing its functions of registration, market surveillance, the conduct of legal and enforcement actions and investor education, the Commission also began implementing some of the provisions of the new legislation, formulating relevant By-Laws to reflect the legislation, drafting policies and guidelines and developing the capacity for the Commission's new and expanded powers of compliance, inspection and enforcement.

Preparations for on-site inspections commenced during the fiscal period, aimed at evaluating the material regulatory risks and the overall ability to manage risk. The goal of this approach is to direct resources to systemic and pertinent issues, conducive to maintaining the integrity of the securities industry.

### AML/CFT

The Commission recognises the vulnerability of the securities industry to money laundering and terrorist financing and, as such,

special attention shall be given to enforcing the provisions of the Act in this area. The TTSEC is a designated supervisory authority under the Proceeds of Crime Act and an active participant on the National Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) Committee.

AML/CFT Guidelines specific to the securities industry have been issued in order to provide the market with direction on the implementation of the legislative framework. The adoption of an AML/CFT focus by the Commission, in accordance with the Securities Act 2012, received special mention at the Caribbean Financial Action Task Force (CFATF) Plenary held in Nicaragua in May 2013. It has greatly enhanced Trinidad and Tobago's compliance with the Financial Action Task Force's (FATF) Recommendations while raising the Commission's profile. The task of preparing our registrants for the CFATF Mutual Evaluation in 2014 is a primary deliverable in the Commission's Work Plan.

### ECONOMIC DEVELOPMENTS

In 2012/2013, there was an increased demand for the financing of projects in both the public and private sectors, through the issuance of bonds. The Commission registered TT\$15.830 billion bonds, during the period; a 153% increase over the previous year.

In July 2013, there was a very successful Initial Public Offering (IPO) by the First Citizens Bank, which was oversubscribed. In his 2013 Budget Statement, the Minister of Finance and the Economy announced the intention of the Government to offer the investing public further tranches of the shareholdings of state enterprises such as the Point Lisas Port Development Company Limited (PLIPDECO) and the Trinidad and Tobago Mortgage Bank, via a proposed merger of the Trinidad and Tobago Mortgage Finance Company and the Home Mortgage Bank.

### INTERNATIONAL AFFAIRS

#### THE IOSCO MMOU

On Wednesday June 19, 2013, the Trinidad and Tobago Securities and Exchange Commission became a Full Signatory to the IOSCO *Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU)*. Trinidad and Tobago joined a select group of 95 MMoU signatories who have pledged their commitment to eradicate potential safe havens for criminal activities and to contribute to strengthening IOSCO's international enforcement network.

The MMoU represents a common understanding among its signatories about how they will consult, cooperate and exchange information for securities regulatory enforcement purposes. This agreement provides a mechanism through which signatories share with each other essential investigative material, such as beneficial ownership information, securities and derivatives transaction records, and bank and brokerage information.

By becoming a Full Signatory, the Commission will benefit from:

- i. *Sharing of information with foreign regulators.*
- ii. *An enhanced international reputation and credibility.*
- iii. *Increased investor confidence in its market for securities.*

### INTER-AMERICAN REGIONAL COMMITTEE (IARC) OF IOSCO

As the third representative of the Inter-American Regional Committee (IARC) on the Board of the IOSCO for the period 2012-2014, the Commission works closely with other regulators from around the world and, in particular, with the Chair and Vice Chair of the Council of Securities Regulators of the Americas (COSRA), in order to promote the interests of the region and to secure a safer and stronger securities industry worldwide.

### IOSCO'S GROWTH AND EMERGING MARKETS COMMITTEE

Emerging markets constitute approximately seventy five percent of IOSCO's membership and are considered to be the engine room of the global economy. These markets continue to face a period of volatility in light of global developments and are significantly impacted by regulatory reforms.

The Commission is a member of IOSCO's Growth and Emerging Markets (GEM) Committee which endeavours to promote the development and efficiency of emerging securities and futures markets by establishing principles and minimum standards and by providing training programmes. The Committee's remit also provides for technical assistance to members, the exchange of information and the transfer of technology and expertise. The Commission also sits on the Steering Committee of the GEM.

GEM's strategic focus revolves around:

- i. *Promotion of emerging market views at global regulatory discussions.*

- ii. Enhancing market development and regulatory capacity building.
- iii. Deepening regulatory and policy work on emerging market issues.
- iv. Strengthening communication among members.

## PARTNERING WITH OTHER JURISDICTIONS

The provisions of the new legislation give the Commission the power to conduct on-site examinations of Self-Regulatory Organizations (SROs) and persons registered under Part IV of the Act. It is against this backdrop that the Commission, with support from the United States Securities and Exchange Commission (U.S.SEC), hosted a four-day *Inspections and Compliance Training Programme* and a one-day *Inspections and Compliance Training Seminar* over the period September 16-20, 2013. These sessions were exceptional training and development opportunities for all regulators, securities market actors and other key players in the financial sector.

## INVESTOR EDUCATION

A key element of the regulatory process is to ensure that all the necessary information on the persons, institutions and products that are being offered, is available to investors and potential investors.

The Commission intensified its Investor Education (IE) thrust to educate the investing public on how to make sound, prudent investment decisions. IE is a key component of its mandate and is a way of providing investor protection. Educated investors are better able to understand their rights and are more likely to contact market intermediaries and regulators to obtain additional information or file complaints.

Sound and effective IE programmes increase confidence in our securities market, thereby improving its overall performance. The Commission intends to expand its educational outreach efforts in the coming year as IE takes even more strategic prominence in its work.

## STAFF DEVELOPMENT

The Commission recognises the unique challenges faced in the development and regulation of our securities markets and acknowledges that its success is inextricably linked to the investment in its human resources. Consequently, the Commission actively seeks to enhance, through appropriate

training, the staff's capacity to identify trends and issues that are likely to have an impact on the securities industry.

## STRATEGIC PLAN 2014-2018

During this period under review, the Commission began working on its Strategic Plan (2014-2018). This plan is being developed against the backdrop of a global economy which is only just beginning to emerge from the financial and economic crisis that commenced in 2008.

The Commission sought the views of its key stakeholders and it was agreed that its continued focus should be:

(a) Regulation of the Securities Industry (b) Protection of Investors and (c) Investor Education. Together, key stakeholders have offered their support in partnering with the organisation in delivering its objectives over the next few years.

As the regulatory body for the securities industry, the Commission will continue to promote transparency, integrity and growth in the capital market through the enforcement of the Securities Act, 2012 with the support of a committed and competent team of professionals, modern information communication technology, best practices and stakeholder contributions.

## CHANGES TO THE BOARD OF COMMISSIONERS

His Excellency, the President of the Republic of Trinidad and Tobago, appointed two (2) additional Commissioners, Ms. Faydia Mohammed and Ms. Nalinee Khemraj for a period of three (3) years, effective December 19, 2012. This increased the complement of Commissioners from five (5) to seven (7) Commissioners during the period under review. However, Ms. Faydia Mohammed tendered her resignation as a Commissioner with effect from September 30, 2013, leaving six (6) Commissioners on the Board as at September 30, 2013.

## INFORMATION TECHNOLOGY

As the securities market expands and becomes more complex, the Commission has been working to strengthen and modernise its information management infrastructure in order to enhance its work processes and its ability to deliver the services required under its mandate. To this end, the Commission has focused on the deployment of new electronically driven technologies for the more efficient management of its internal information and records and for monitoring the market.

## HOSTING OF INTERNATIONAL MEETINGS

The Commission hosted the Council of Securities Regulators of the Americas (COSRA) and the Caribbean Group of Securities Regulators (CGSR) Meetings during the period October 29-31, 2012. Forty six (46) countries, including Argentina, the Bahamas, Barbados, Bermuda, Brazil, the British Virgin Islands, Canada, the Cayman Islands, Chile, Uruguay and the United States of America attended and a number of securities market issues were discussed with local market actors and regulators.

## OTHER MATTERS

### Additional office space

Over the past year, the Commission was unsuccessful in its search for a suitable location for its operations. As a temporary measure, the Commission will now occupy two locations in Port of Spain: its original location on Dundonald Street and a new location at Princes Court on Keate Street. This arrangement shall remain in effect until the Commission finds suitable accommodation to house all of its Divisions.

## ACKNOWLEDGEMENTS

The Management and Staff of the Commission remain committed to the development of the organisation. On behalf of the Board of Commissioners, I thank the team for their unwavering support and dedication over the past year.

I also express my sincere appreciation to the entire Commission (the Board of Commissioners, Management and Staff) who worked diligently and contributed extensively to the Strategic Plan, which we are expected to implement over the next five years.

I must give special mention to Mr. Justice Norton Jack, the Commission's former General Counsel, General Manager (Ag.) and Chief Executive Officer (Ag.). Mr. Jack was sworn in as a Judge of the Supreme Court of Trinidad and Tobago on September 02, 2013.

Mr. Justice Norton Jack, assumed duties as General Counsel at the Commission on July 26, 2010. In January 2011, he was appointed Deputy General Manager (Ag.) and in December 2011, he was asked by the Board of Commissioners to assume the position of General Manager (Ag.) until the recruitment and

selection of a new General Manager. In December 2012, following the enactment of the Securities Act, 2012, and the change in designation of the head of the Commission, he became the Commission's Chief Executive Officer (Ag.)

The entire staff is grateful to Justice Jack for the level of commitment and dedication that he exhibited as General Counsel, Deputy General Manager (Acting) and General Manager/Chief Executive Officer (Acting) over the past three years.

## CONCLUSION

We note with cautious optimism the forecasts for renewed growth in the Trinidad & Tobago economy in the coming years, although we expect continued challenges. We commit to ensure that there shall be orderly growth and stability in the securities industry, redounding to the ultimate benefit of all citizens of Trinidad and Tobago.



PROFESSOR PATRICK WATSON  
Chairman



# SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

## TRINIDAD AND TOBAGO SECURITIES MARKET DEVELOPMENTS

### TRINIDAD AND TOBAGO STOCK MARKET

The domestic stock market, as measured by the TTSE Composite Index, increased by 7.24 percent for the fiscal year October 1, 2012 to September 30, 2013. Despite this positive performance, this figure represented a decline over the previous year's increase of 7.80 percent.

The TTSE Composite Index began the fiscal year negatively with a decline of 0.14 percent for the period October 1, 2012 to December 31, 2012, to close at 1,064.98. For the following quarter, January 1, 2013 to March 2013, the TTSE Composite index registered an increase of 2.90 percent. The TTSE Composite Index experienced its greatest quarterly advance for the fiscal year during its third quarter (April 1, 2013 – June 30, 2013). The TTSE Composite Index continued to advance for the duration of the fiscal year to close at 1,143.62 (Table 1).

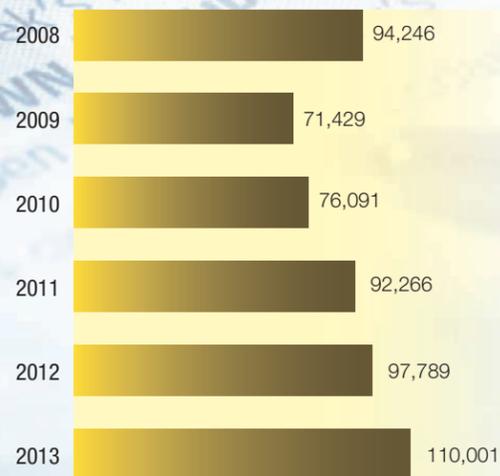
**Table 1:** | *Percent change in the TTSE Composite Index during the fiscal year October 1, 2012 – September 30, 2013*

Period	Opening Value	Closing Value	Percentage change (%)
October 1 – December 31, 2012	1,066.44	1,064.98	(0.14)
January 1 – March 31, 2013	1,064.98	1,095.89	2.90
April 1 – June 30, 2013	1,095.89	1,127.21	2.86
July 1 – September 30, 2013	1,127.21	1,143.62	1.46

Market capitalisation as at September 30, 2013 stood at approximately TT\$110 billion which represented a 12.50 percent increase over the 2012 figure of TT\$97.80 billion (Figure 1).

There were eighteen (18) winners and thirteen (13) losers over the fiscal year under review. The winners were led by The West Indian Tobacco Company Limited, which increased 58.75 percent over the fiscal year. This was followed by National Flour Mills which registered a 26.47 percent increase. Unilever Caribbean Limited,

**Figure 1:** | *TTSE's Market Capitalization (TT\$M): October 1 2008 – September 30 2013*



Neal and Massy Holdings Limited and Agostini's Limited rounded out the top five (5), increasing 20.67 percent, 16.65 percent and 14.51 percent respectively (Table 2).

The top five (5) losers for the fiscal year were National Commercial Bank of Jamaica Limited, LJ Williams Limited, Jamaica Money Market Brokers Limited, Guardian Holdings Limited and First Caribbean International Bank Limited. These losses ranged from 29.38 percent at the highest (National Commercial Bank of Jamaica) to 15.62 percent at the lowest (First Caribbean International Bank Limited) (Table 3).

### SECONDARY BOND MARKET

#### Government Bonds

For the fiscal year ended September 30, 2013, 183 trades took place on the secondary market for government bonds. These trades were valued at TT\$2.2 billion. This was a marked increase from the previous fiscal year October 1, 2011 to September 2012 when there were eighty-four (84) trades valued at TT\$1.03 billion.

#### Corporate Bonds

Similar to the previous fiscal year, no trades took place on the corporate bond market during the period under review.

### MUTUAL FUNDS

The mutual fund market continued to attract savings and accounted for approximately one-third of total savings deposits in the domestic economy. Funds under management (FUM) increased to TT\$43.50 billion as at September 30, 2013 up from the TT\$42.70 billion in the previous year. This represented an increase of 1.73 percent. In the previous fiscal year October 1, 2011 to September 30, 2012 the rate of increase was 4.40 percent (Figure 2).

The Trinidad and Tobago Unit Trust Corporation was once again the volume leader with respect to total FUM and accounted for 45.40 percent of the mutual fund market. RBTT Trust and Asset Management Limited also maintained both its position and percentage of the total FUM and accounted for 18.47 percent of the total mutual fund market. Next were First Citizens Asset Management Limited, Republic Bank Limited and Ansa Merchant Bank Limited, with 13.90 percent, 13.73 percent and 2.96 percent of the mutual fund market respectively.

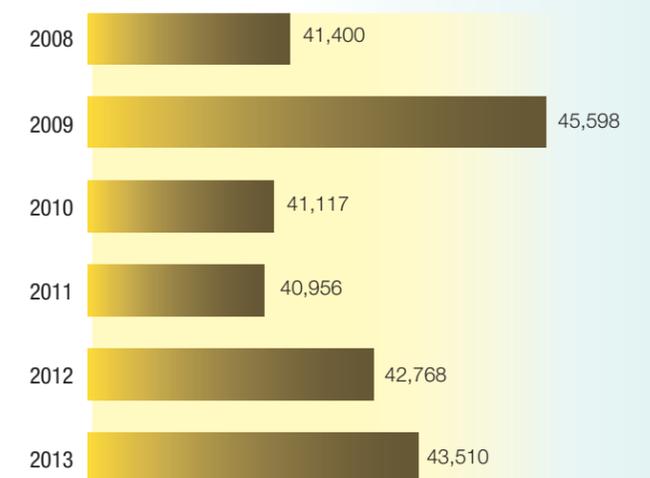
**Table 2:** | *Top 5 Advancing Stocks (TTSE): October 1, 2012 – September 30, 2013*

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
The West Indian Tobacco Company Limited	74.33	118.00	58.75
National Flour Mills Limited	0.68	0.86	26.47
Unilever Caribbean Limited	46.00	55.51	20.67
Neal and Massy Holdings Limited	48.06	56.11	16.75
Agostini's Limited	15.37	17.60	14.51

**Table 3:** | *Top 5 Declining Stocks (TTSE): October 1, 2012 – September 30, 2013*

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
National Commercial Bank of Jamaica Limited	1.60	1.13	(29.38)
LJ Williams Limited	0.90	0.65	(27.78)
Jamaica Money Market Brokers Limited	0.63	0.50	(20.64)
Guardian Holdings Limited	18.30	15.01	(17.98)
FirstCaribbean International Bank Limited	8.00	6.75	(15.62)

**Figure 2:** | *Mutual Funds - Funds under Management (FUM) (TT\$M): October 1, 2008 – September 30, 2013*



# SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

This differed slightly from the previous fiscal year where Republic Bank Limited outperformed First Citizens Asset Management Limited (**Table 4**).

**Table 4:** Top 5 Performing Mutual fund Companies by % of FUM as at September 30, 2013

Mutual Fund Companies	Percentage share of market for FUM (%)
T&T Unit Trust Corporation	45.40
RBTT Trust and Asset Management Limited	18.47
First Citizens Asset Management Limited	13.90
Republic Bank Limited	13.73
Ansa Merchant Bank Limited	2.96

## MARKET DEVELOPMENTS

### Initial Public Offerings (IPOs) and New Listings

On June 11, 2013, 1.11 million units of Bourse Brazil Latin Fund were listed on the stock exchange, under the symbol BBLF. The listing price was US\$10.00.

First Citizens Bank Limited launched its IPO on July 15, 2013 offering 48.50 million shares in the state-owned company which represented approximately 20 percent of the government's stake. At the time of the launch, the allocations were 55.70 percent<sup>1</sup> to local financial institutions, 26.50 percent to individual investors, 7.80 percent<sup>2</sup> to employees of the bank and 10.00 percent to locally registered companies. The IPO was oversubscribed 3.12 times which amounted to TT\$3 billion.

First Citizens Bank Limited was listed on the stock exchange on September 16, 2013 under the symbol FIRST on the first tier market at a share price of TT\$22.00 and trading began on the same day.

### De-listings

The Commission received four (4) applications for the de-listing of securities from the Official List of the Trinidad and Tobago Stock Exchange ("TTSE") during the fiscal year October 1, 2012 – September 30, 2013:

- The original allotment was 60 percent but the allotment taken by mutual funds was undersubscribed by 4.3 percent. This surplus was allotted to individual investors.
- The original allotment was 15 percent but the allotment taken by the bank's employees was undersubscribed by 7.2 percent. This surplus was allotted to individual investors.

- the shares of Capital and Credit Financial Group Limited;
- the TT\$250 Million Government of Trinidad and Tobago 10-yr 9.90% Fixed Rate Bond Due 2013;
- the shares of BCB Holdings Limited; and
- the shares of Fortress Caribbean Property Fund Limited.

The de-listing of the shares of Capital and Credit Financial Group Limited was considered and approved by the Commission and the security was subsequently de-listed from the TTSE's Official List. The remaining applications were still engaging the attention of Staff by the year's end. Earlier in the fiscal year, Savinvest India Asia Fund (SIAF) was de-listed from the Stock Exchange on November 12, 2012.

## REGIONAL MARKETS

### JAMAICA STOCK MARKET

During the fiscal year under review (from October 1, 2012 – September 30, 2013), the Jamaican Stock Exchange's (JSE) Main Market Index declined by 3.13 percent. This represented a slight improvement over its performance during the previous fiscal year when it declined by 5.00 percent. In contrast, the Junior Market advanced by 19.70 percent as compared to a 3.90 percent increase in the previous fiscal year.

The JSE's Main Market Index rose by 5.63 percent in the period October 1, 2012 to December 31, 2012. It was during this time that the Main Market Index peaked, at 92,472.39 on December 28, 2012. Thereafter, the JSE Main Market Index declined by 10.98 percent in the second quarter April 2013. From April 5 to June 14, 2013, the JSE Main Market Index increased by 11.25 percent. It ended the third quarter of the fiscal year with an increase of 5.94 percent. However, despite this increase, the JSE Main Market Index eventually declined by 2.71 percent to close at 84,500.20 as at September 30, 2013 (**Table 5**).

**Table 5:** Percent change in the JSE Main Market Index by Quarter During the fiscal year 2012/2013

Quarterly	Opening Value	Closing Value	Percentage change (%)
October 1 – December 31, 2012	87,227.61	92,101.22	5.63
January 1 – March 31, 2013	92,101.22	81,986.30	(10.98)
April 1 – June 30, 2013	81,986.30	86,853.91	5.94
July 1 – September 30, 2013	86,853.91	84,500.20	(2.71)

For the fiscal year October 1, 2012 to September 30, 2013; there were fourteen (14) winners, and twelve (12) losers. **Tables 6** and **7** show the top five (5) advancing and declining stocks based on percent change on the JSE's Main Market for the fiscal year October 1, 2012 to September 30, 2013.

**Table 6:** Top 5 Advancing Stocks (JSE): October 1, 2012 – September 30, 2013

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
Caribbean Cement Company Limited	1.00	2.08	108.00
Ciboney Group Limited	0.03	0.06	100.00
Palace Amusement Company Limited	50.00	95.00	90.00
Guardian Holdings Limited	165.00	270.00	63.64
Hardware & Lumber Limited	3.50	4.52	43.43

**Table 7:** Top 5 Declining Stocks (JSE): October 1, 2012 – September 30, 2013

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
Pulse Investments Limited	1.60	0.87	(45.63)
Radio Jamaica Limited	2.21	1.31	(40.72)
Gleaner Company Limited	1.51	1.21	(19.87)
Carreras Group Limited	58.07	46.98	(19.10)
Berger Paints Limited	2.76	2.26	(18.12)

### BARBADOS STOCK MARKET

The Barbados Stock Exchange's (BSE) Composite Index declined by 2.56 percent during the first quarter of the fiscal year (October 1, 2012 – December 31, 2013) to close at 730.04. During January 2013, it registered its lowest closing position for the fiscal year when it closed at 727.99. However, the BSE Composite Index advanced from that ebb to close the second quarter (January 2013 – March 2013) at 738.76. This was an increase of 1.21 percent from its first quarter's closing position. For the third quarter of the fiscal year (April 1 2013 – June 30, 2013), the BSE Composite Index closed at 748.03 for a gain of 1.25 percent. However, the BSE Composite Index declined by 1.43 percent in the final quarter of the fiscal year to close at 737.33 as at September 30, 2013. Overall, the BSE Composite Index

**Table 8:** Percentage Change in the BSE Composite Index by Quarter During the fiscal year October 1, 2012 – September 30, 2013

Period	Opening Value (\$)	Closing Value (\$)	Percentage Change (%)
October 1 – December 31, 2012	749.24	730.04	(2.56)
January 1 – March 31, 2013	730.04	738.76	1.21
April 1 – June 30, 2013	738.76	748.03	1.25
July 1 – September 30, 2013	748.03	737.33	(1.43)

declined by 1.59 percent for the fiscal year under review (**Table 8**).

There were four (4) winners and thirteen (13) losers during the fiscal year (**Tables 9** and **10**). Neal and Massy Holdings Limited led the winners while Barbados Dairy Industries Limited was the biggest loser during the fiscal year under review.

**Table 9:** Top 4 Advancing Stocks (BSE) October 1, 2012 – September 30, 2013

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
Neal and Massy Holdings Limited	14.05	17.25	22.78
Goddard Enterprises Limited	5.50	6.15	10.91
Sagicor Financial Corporation	2.08	2.26	8.65
The West India Biscuit Company Limited	10.01	10.02	0.10

**Table 10:** Top 5 Declining Stocks (BSE): October 1, 2012 – September 30, 2013

Security	Opening Price (\$)	Closing Price (\$)	Change (%)
Barbados Dairy Industries Limited	5.29	3.00	(43.29)
Almond Resorts Incorporated	0.50	0.32	(36.00)
Cable and Wireless (Barbados) Limited	5.31	3.40	(35.97)
Fortress Caribbean Property Fund	0.85	0.65	(23.53)
Barbados Farms Limited	1.00	0.85	(15.00)



## MANAGEMENT



Standing, L-R:

ARLENE STEPHEN  
Director, Corporate Communications,  
Education and Information

HAZEL RAMSINGH-PERSAD  
Director, Corporate Services

CHANDRADATH MAHARAJ  
Director, Disclosure, Registration  
and Corporate Finance

FRANCISCA AMBROSE-GRANT  
Human Resource Manager

LYSTRA LUCILLIO  
Director, Information Management

Sitting, L-R:

RONALD PHILLIP  
Director, Policy Research and Planning

CANDICE HUGGINS  
Director, Legal Advisory and Enforcement

AYOUB BARCOO  
Director, Market Regulation and  
Surveillance

## MANAGEMENT DISCUSSION

### REGISTRATION OF MARKET ACTORS AND SECURITIES

The total number of Registrants and Self-Regulatory Organizations (SROs) on the Commission's register remained the same (211) from the fiscal year 2012 to fiscal year 2013. While the number of SROs and Reporting Issuers remained constant over the period, there were minor changes in the numbers of Registered Representatives (formerly Brokers and Traders), Investment Advisers, Broker-Dealers (formerly Securities Companies), and Underwriters registered with the Commission. See **Table 11** for the breakdown of the numbers of Registrants and SROs on the Commission's register as at the end of the fiscal years 2012 and 2013.

**Table 11:** | *Registrants and Self-Regulatory Organizations Registered with the Commission*

Class of Registration	As at Sept 30, 2013	As at Sept 30, 2012
<b>REGISTRANTS</b>		
Registered Representatives	57	58
Investment Advisers	15	18
Brokers-Dealers (Formerly Securities Companies)	42	37
Reporting Issuers	94	94
Underwriters	1	2
<b>Total Registrants</b>	<b>209</b>	<b>209</b>
Self-Regulatory Organizations	2	2
<b>Total Registrants &amp; Self-Regulatory Organizations</b>	<b>211</b>	<b>211</b>

### REGISTRATION OF SECURITIES

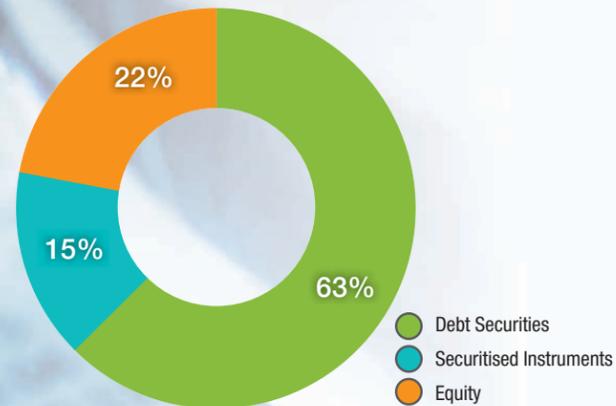
During the fiscal year, the Commission registered a total of forty-nine (49) issues of securities, ten (10) more than were registered for the previous period. The total value of securities registered during the fiscal year 2013 was approximately TT\$24.99 billion; TT\$14.384 billion (or 135.6%) more than the total value of securities registered in fiscal 2012 (TT\$10.606 billion). **Table 12** provides a summary of the categories of securities and the value of the categories that were registered for the fiscal year 2013 compared to 2012.

**Table 12:** | *Securities Registered with the Commission*

Class of Securities	2012 – 2013		2011 – 2012	
	Number of Issues	Value of Securities in TT\$ Billion	Number of Issues	Value of Securities in TT\$ Billion
Debt Securities	17	\$ 15.830	10	\$ 6.264
Securitised Instruments	10	\$ 3.606	7	\$ 3.479
Equity	19	\$ 5.554	19	\$ 0.863
Mutual Funds	3	*	3	*
<b>Total</b>	<b>49</b>	<b>\$ 24.99</b>	<b>39</b>	<b>\$ 10.606</b>

Debt securities accounted for the majority (approximately 63%) of the total value of securities registered in fiscal year 2013. Securitised Instruments comprised approximately 15% (TT\$3.606 billion) and Equities - 22% (TT\$5.554 billion) of the value of securities registered (Figure 3).

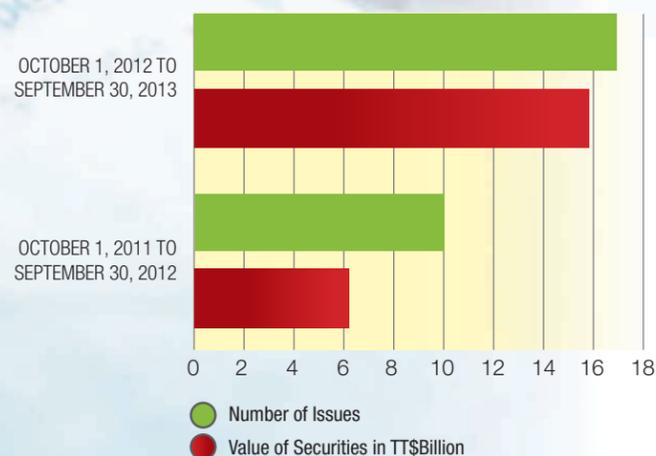
Figure 3: | Proportion of Securities Registered by Category



## DEBT SECURITIES

The Commission registered 17 issues of debt securities in fiscal year 2013; seven more than in fiscal 2012. The value of these securities increased significantly from the previous year. Debt securities registered in fiscal 2013 were valued at approximately TT\$15.830 billion which was TT\$9.566 billion or 153% higher than the value of debt securities that were registered with the Commission in fiscal 2012 (TT\$6.264 billion). All debt securities registered in fiscal 2013 were issued in local currency (Figure 4).

Figure 4: | Debt Securities Registered in Fiscal 2013 vs. Fiscal 2012



The majority of the registered debt securities were fixed rate bonds. There were two (2) floating rate bonds; one (1) variable rate bond and one (1) commercial paper.

## SECURITISED INSTRUMENTS

The number and value of securitised instruments that were registered with the Commission during fiscal year 2013 increased marginally. In the fiscal year 2012, only seven (7) issues of securitised instruments were registered with the Commission. However, in fiscal 2013, the Commission registered ten (10) issues of securitised instruments with an approximate face value of TT\$3.606 billion. The value of the securitised instruments registered in fiscal 2012 (TT\$3.479 billion) was approximately 4% less than in the fiscal year 2013.

In the fiscal year 2012, the securitised instruments registered with the Commission were certificates of participation, backed by bonds. However for the fiscal year 2013, nine (9) of the ten (10) securities were backed by bonds and one (1) a loan. All ten (10) securitised instruments were issued in local currency.

## EQUITIES

In fiscal 2013, the Commission registered nineteen (19) issues of equity securities amounting to 252,086,989 shares with an estimated value of TT\$5.555 billion.

Eighteen (18) of the nineteen (19) equity issues that were registered, were pursuant to employee stock option plans. These employee stock option plans accounted for a mere one third percent (0.3% or 733,427 shares) of the total number of shares registered and less than half percent (0.44% or TT\$0.025 billion) of the value of equities registered during fiscal 2013.

Table 13: | Equities Registered with the Commission

Class of Securities	Oct. 1, 2012 – Sept. 30, 2013			Oct. 1, 2011 – Sept. 30, 2012		
	Number of Issues	Number of Shares '000,000	Value of Securities in TT\$Billion	Number of Issues	Number of Shares '000,000	Value of Securities in TT\$Billion
Employee Stock Option Plans	18	0.733	\$ 0.025	15	4.623	\$ 0.113
Other	1	251.354	\$ 5.530	4	219.884	\$ 0.751
<b>Total</b>	<b>19</b>	<b>252.087</b>	<b>\$ 5.555</b>	<b>19</b>	<b>224.507</b>	<b>\$ 0.864</b>

The other issue was the 251.354 million First Citizens Bank Limited ("FCB") ordinary shares that were registered pursuant to FCB's IPO. This issue accounted for slightly over ninety-nine percent (99.7% or 251,353,562) of the number of shares issued and approximately ninety-nine (99% or TT\$5.53 billion) of the total value of securities issued (Table 13).

In fiscal 2013 and 2012, the number of equity issues was identical (19). The aggregate value of this fiscal year's issues was TT\$4.691 billion more than that of the prior year.

## MONITORING MARKET DEVELOPMENT AND CONDUCT

### LEGISLATION

The Securities Act, 2012 ("the Act") was proclaimed and became effective on December 31, 2012. The provisions of the Act have strengthened the Commission's powers as they relate to market conduct, surveillance, disclosure and enforcement. The Commission has taken both a consultative and facilitative approach to aiding the transition from the Securities Industry Act, 1995 to the new Act in order to ensure that the securities market is regulated in a manner consistent with international best practice.

### INVESTIGATIONS AND INVESTOR COMPLAINTS

Two (2) investigations initiated in prior years, under the Securities Industry Act, 1995, remain under the jurisdiction of the High Court, which directed the initiation of receivership action and the appointment of a liquidator respectively. In these circumstances, the Commission did not have an active role but remained ready to address any queries or concerns of the affected investors.

Two (2) formal investigations were initiated during the current period under the Act: one focused on the operations

of an unregistered person performing securities business activities within Trinidad and Tobago and the other involved questionable trading activity in the shares of an entity listed on the stock exchange.

### Complaints

Staff continued its review of nine (9) complaints initiated in the last financial year, of which eight (8) matters were resolved while one (1) resulted in the launch of a formal investigation under the Act. These complaints involved a number of issues, which included:

- i. alleged failure of a broker/dealer to follow a client's trading instructions;
- ii. complainants' inability to recover funds invested with unregistered entities;
- iii. the time in which information was made available in respect of a takeover;
- iv. a dispute between a broker/dealer and a client over the purchase, payment and eventual sale of a block of shares; and
- v. a dispute about the status of a stock certificate issued previously to an investor of a listed company.

Four (4) new complaints were received during the period under review, with one (1) being escalated to a formal investigation under the Act. These complaints pertained to matters involving:

- vi. allegations of manipulation of the share price of a listed entity;
- vii. restrictions imposed on an investor in relation to the redemption of units of a collective investment scheme; and
- viii. the non-delivery of executed constituent documents supporting two debt securities issued by a reporting issuer.

It is expected that the remaining three (3) complaints will be resolved within the next fiscal period. The Commission's recent investor awareness campaign has led to an increase in the number of investors who approached the Commission for information. Unfortunately, for many of these investors, the nature of their respective matters was not within the ambit of the Act and they were re-directed to a more relevant body, primarily, the Fraud Squad of the Trinidad and Tobago Police Service.

## TRINIDAD AND TOBAGO STOCK EXCHANGE APPLICATIONS

During the period under review, the Commission received the following four (4) applications for the de-listing of securities from the Official List of the Trinidad and Tobago Stock Exchange Limited ("TTSE"):

- i. the shares of Capital and Credit Financial Group Limited;
- ii. the TT\$250 Million Government of Trinidad and Tobago 10-yr 9.90% Fixed Rate Bond Due 2013;
- iii. the shares of BCB Holdings Limited; and
- iv. the shares of Fortress Caribbean Property Fund Limited.

The application for de-listing of the shares of Capital and Credit Financial Group Limited was considered and approved by the Commission and the security was subsequently de-listed from the TTSE's Official List. The remaining applications were still engaging the attention of Staff by the year's end.

In furthering the development of the stock market, the TTSE applied, and received approval from the Commission, for the establishment of a contingency fund (TTSE) and a settlement assurance fund (TTCD). These funds, which were already in existence under different names, serve as protective measures for members of the stock exchange and their respective clients by:

- i. compensating customers for losses resulting from the insolvency, bankruptcy or default of a member of the stock exchange through the contingency fund; and
- ii. ensuring continuity in securities clearing and settlement in the event of a cash settlement failure by a participant of a clearing agency.

## MONITORING OF TRADING ACTIVITY

Of the five (5) trading enquiries which commenced in the prior fiscal period, four (4) were closed with

recommendations of no further action and one (1) was closed with a referral for possible enforcement action. During the year, three (3) trading enquiries were initiated related to:

- i. possible trading in Government of Trinidad and Tobago ("GORTT") bonds by persons who were not registered with the Commission in such capacity; and
- ii. suspicious trading activity in a listed company's shares.

Of these three (3) enquiries, two (2) were closed without further action and one (1) led to the initiation of a formal investigation.

## COMPLIANCE WITH MATERIAL CHANGE PROVISIONS

With the passage of the Act, there were a number of new requirements in the continuous disclosure regime of reporting issuers. One such requirement related to the subject of "material changes." The new Act included a fundamental shift in the concept by changing the basis for determining materiality and the concomitant disclosures to be made when a material change occurs. As a consequence, the Commission employed various methods to sensitise its registrants about changes in the legislation through the distribution of circular letters, the publication of articles in the Commission's Quarterly Newsletter and the establishment of a dedicated electronic mail inbox for the registrants to submit any queries or concerns.

Of the three (3) matters involving material changes which had been started in the prior period, one (1) was closed with no further action being required and two (2) were referred for enforcement action. A total of fifty-three (53) cases were initiated in the period under review. These were primarily related to the following matters:

- i. changes to the board of directors;
- ii. changes to personnel in executive management positions;
- iii. acquisitions;
- iv. disposal or sale of business lines or segments; and
- v. changes to capital structure.

Of the fifty-three (53) cases, twenty-seven (27) were closed with a recommendation of no further action while two (2) cases were referred for possible enforcement action. A total of twenty-four (24) matters are still engaging the attention of staff.

## COMPLIANCE WITH THE COMMISSION'S PRESENTATION OF PERFORMANCE STANDARDS

The Commission has issued guidance to ensure the consistency of the presentation of the performance of Collective Investment Schemes (such as mutual funds). This guidance is contained in the Commission's Promotion Presentation Standards for Collective Investment Schemes which are designed to reduce the risk of incomplete or misleading statements contained in media releases, advertisements and other promotional material employed by collective investment schemes. In addition to the one (1) case started in the prior year, three (3) commenced during the year and all four (4) cases were closed after necessary amendments were made to the advertisements of four collective investment schemes.

## COMPLIANCE AND INSPECTIONS

### POWER TO CONDUCT COMPLIANCE REVIEWS

The Securities Act, 2012 ("the Act") provided the Commission with a new function: to conduct compliance reviews (or on-site inspections) of its registrants (registered under Part IV of the Act) and Self-Regulatory Organizations (SROs). Persons registered under Part IV of the Act are:

- i. Broker-dealers.
- ii. Investment advisers.
- iii. Underwriters.
- iv. Registered Representatives.
- v. Reporting Issuers.

The Commission's inspection function is provided for under Section 6 of the Act and Section 89 provides for the conduct of compliance reviews. This allows duly authorised staff of the Commission to review, examine or inquire into the books, records or documents of a registrant or SRO. The Act also gives the Commission the authority to issue compliance directions under Section 90, to a registrant or SRO, who contravenes or is about to pursue any course of conduct that is an unsafe or unsound practice in conducting the securities business.

The establishment of this new function is intended to protect investors against possible improper practices by market actors. Its main purposes are to:

- Ensure that registrants are operating in compliance with the legislation;

- Help identify compliance problems and areas of emerging risk, which if they occur can adversely affect investors; and
- Review allegations of improper practices.

Since passage of the Act in December 2012, the Commission has been actively developing its capacity to effectively undertake on-site inspections. A number of initiatives have been implemented in this regard:

- Development of an Inspection Manual to guide the process;
- Training (one week) of TTSEC staff at the United States Securities and Exchange Commission (U.S.SEC);
- Collaboration with the Central Bank of Trinidad and Tobago in providing resources to assist in the establishment of the compliance and inspection function;
- Hosting, in collaboration with the U.S.SEC, a four-day regional Inspection Training Programme (in September 2013), which was geared to both Commission staff and regional regulators (attended by 48 persons, with 33 persons representing the TTSEC and other local regulatory bodies, and 15 persons from various regional regulatory bodies). There was also a one day seminar geared towards registrants and SROs (attended by 114 persons, with 92 persons representing registrants and SROs);
- Development of an online Risk Assessment Questionnaire for registrants and SROs, to allow the Commission to gather baseline data on registrants for on-site inspections. Registrants were required to submit the questionnaires by end of November 2013.

The Commission intends to conduct inspections in the first quarter of the 2013/2014 financial year and will be adopting a risk-based approach to the process. This approach is commonly used in many jurisdictions and aims to evaluate the regulatory risks of a market intermediary and to assess an institution's ability to manage its risk. While the specific details may differ across jurisdictions, the overarching goal remains common, viz: directing the limited resources of the securities regulator to those systemic and pertinent issues relevant to maintaining the integrity of the securities industry. In implementing the programme, the Commission will adopt a best-practice approach having consulted with other jurisdictions, and make it relevant to the context of the Trinidad and Tobago securities market.

The Commission has advised its registrants and SROs of the inspection process in order to ensure that they are adequately prepared to cooperate with the inspection team. Registrants and SROs will receive prior written notification of the Commission's intention to conduct an on-site inspection, in accordance with the legislation. The Commission may also conduct unannounced onsite examinations if necessary. Upon completion of the inspection, firms will be notified of the Commission's findings including any recommendations for future action and will be subject to continuous supervision to ensure that any emerging risks are appropriately managed.

## REGULATION AND ENFORCEMENT

The staff referred several matters to the High Court. One such matter, Alpha Savings and Trust Limited was expected to conclude before the end of 2013. The Commission was also successful in its application to the High Court for a winding-up Order and Orders for the disgorgement of profits and restitution of funds to investors, in relation to the matter of Welthecon Investment Managers Limited, a former registered investment advisor of the Commission. Welthecon is currently in receivership.

Since the coming into force of the Securities Act, 2012, two major investigations have been initiated. Pursuant to tips received and market surveillance activities, the Legal Advisory and Enforcement (LA&E) and Market Regulation and Surveillance (MR&S) divisions have also held discussions with representatives of entities and have cautioned persons where the facts indicated that their activity could result in a contravention of the securities legislation. Subsequent to the discussions one of the matters was referred to the Trinidad and Tobago Police Service's Fraud Squad Division.

## INVESTIGATIONS MANUAL

During the year 2013, as part of the Commission's effort to have proper internal policies and procedures, the Division of LA&E continued its development of the "Investigations Procedure Manual". The first draft of the manual was completed and approved by the Board of Commissioners during the month of September 2013. The manual is intended to serve as a source document to which staff members may refer, for guidance and clarity in dealing with complaints received by the Commission.

## INTERNATIONAL ORGANISATIONS

The enactment of the Securities Act 2012, allowed the Commission to re-submit its application to become a Full Signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU). On June 19, 2013, the Trinidad and Tobago Securities and Exchange Commission's application was approved and the TTSEC became a Full Signatory to the IOSCO MMoU.

### AML/CFT (Anti-Money Laundering and Combating Financing of Terrorism)

The Securities Act 2012 (Section 6) mandates the Commission to,

*"ensure compliance with 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 that is administered or supervised by the Commission."*

This mandate is reflected within the Commission's regulatory strategy in its **AML/CFT Guidelines 2011**.

1. At the meeting of the Board in July 2013, Commissioners:
  - a) designated the General Counsel as the designated Money Laundering Reporting Officer for the Commission;
  - b) recognised the formation of the **AML/CFT Working Group (WG)**; and
  - c) approved the process for review of applications to determine the suitability of compliance officers.
2. The WG also developed an internal Suspicious Activity Reports (SARS) reporting form and procedure for the reporting of suspicious activities.

### Regulatory Handbook

In an effort to facilitate requests for information sharing through effective access to material and records, the Commission's staff developed a Regulatory Handbook which will guide other regulatory bodies and information seekers as to the processes and procedures for mutual assistance and exchange of information.

### Development of a Risk-Based Framework

The process of developing its Risk-based Framework has been initiated. The objective is to assist the Commission in preparing new risk-based rules and processes governing the capital, liquidity and other resources to be required of registrants including transitional provisions.

## COLLABORATION

### MOU BETWEEN THE TTSEC AND CBTT

In 2013, the TTSEC and the Central Bank of Trinidad and Tobago (CBTT) collaborated on an agreement (MoU) that will represent a common understanding by the two authorities on consultation, cooperation, and exchange of information for regulatory enforcement purposes. The MoU will serve to promote integrity, efficiency and financial soundness of the capital market. The MoU will also represent a pledge by both regulators to use reasonable efforts to provide any information that they discover, that relates either to the safety and soundness of any Financial or Licensed Entity under their regulatory supervision or the efficiency of the securities market.

### PROTOCOL BETWEEN THE TTSEC AND SDATT

The TTSEC and the Securities Dealers Association of Trinidad and Tobago (SDATT) are also in the process of drafting and eventually signing a Protocol that would recognise and formalise the ongoing collaborative working relationship between them. The premise of this Protocol is to engender and nurture a long term positive relationship, wherein members from both organisations have an opportunity to consult with each other and work together to identify and address industry concerns arising from the timeliness of the Commission's responses to the market.

The signing of the Protocol will establish the Commission's willingness to co-operate with, provide information to, and receive information from other self-regulatory bodies or organizations mandated under Section 19(2) of the Securities Act, 2012 ("the Act"). Whilst there is no legal requirement for the creation of a Protocol between the Commission and SDATT, the Commission believes that it will go a long way in improving market conduct and efficiency.

### MOU BETWEEN THE TTSEC AND FIU

The Commission has been authorised pursuant to Section 19 of the Securities Act to cooperate with and provide information to the Financial Intelligence Unit (FIU). The entities recognise that greater co-ordination and co-operation will facilitate the investigation and prosecution of persons suspected of money laundering and terrorist financing and criminal activity related to money laundering and terrorist financing. Therefore the parties have collaborated on the drafting of an MoU in

furtherance of the Act. It is hoped that the MoU will be signed within the coming year.

### MARKET INITIATIVE GROUP

The Commission started an initiative with the Trinidad and Tobago Stock Exchange ("TTSE") to liaise and/or collaborate with each other to achieve joint targets regarding the development of the capital market. To facilitate the ease with which the two parties interact in this regard, it was determined that each would establish a "working group" that will operate as the ground level liaison for each organisation. It is anticipated that the group will be established early in the next fiscal period.

## POLICY, RESEARCH AND PLANNING DEVELOPMENTS

The Policy, Research and Planning Division continued to provide planning and policy support on all matters that engaged the attention of the TTSEC. Shelf registration, regulatory models and capital adequacy requirements were some of the new areas occupying the attention of staff of the Division over the period under review.

The Commission is in the process of developing a capital adequacy framework which conforms to international best practices. A team comprising staff members was directed to determine international best practice in the implementation of a risk-based capital adequacy framework and to make recommendations in this regard for the domestic market. Assistance was sought from the Caribbean Regional Technical Assistance Centre (CARTAC) to formulate an appropriate model for Trinidad and Tobago.

Based on requests from the Trinidad and Tobago International Financial Centre (TTIFC), the Commission explored the suitability of a shelf registration system for the local securities market. The research aimed to:

- i. determine the legal framework required for the implementation of the system;
- ii. examine the administration of such systems in various jurisdictions;
- iii. ascertain the potential revenue generating ability of this system for the Commission and the eligibility criteria for market actors to engage in the shelf registration systems.

The Division also developed a policy paper on whether the Commission should recognise, register or regulate Credit Rating Agencies (CRAs). The focus of the research

included identifying the pertinent issues related to Credit Rating Agencies (CRAs); and reviewing existing systems and regulatory frameworks for monitoring and oversight of CRAs.

## DEVELOPING AND DELIVERING PROGRAMMES OF INVESTOR EDUCATION

The Commission is committed to providing investors and potential investors with essential information so that they can be empowered to make informed decisions about their financial affairs. New and modern approaches have been incorporated in our Investor Education Programme using dynamic and interesting formats:

### WEBINAR (WEB-BASED SEMINAR)

On July 3, 2013, the Commission conducted a free Webinar (a seminar via the Web) introducing participants to the fundamentals of saving and investing, investment instruments, rights and responsibilities of investors and mechanisms to protect against fraudulent investment schemes. One hundred persons actively participated with the greatest participation coming from the 25-34 age group. The Commission intends to conduct more Webinars during the financial year 2013/2014 which will focus on (but are not limited to) Financial Tips for Teens, Financial Tips for Young Adults, Money Management in the Middle Years and Retirement Planning. Topics, such as the role of a broker and things to consider before making that first investment will also be included in subsequent sessions.

### USE OF DIGITAL MEDIA AND TECHNOLOGY

Over the period under review, the Commission made great strides in including new and digital media in its investor education initiatives. The Commission's Facebook page was updated with useful tips and information for the sophisticated investor and the investor who is now embracing the concept of investing. Information and tools aimed at both the investor and the average citizen who wish to know more about the Commission and its activities were included in the Commission's WordPress Blog. This Blog is also shared via Facebook and among stakeholders to attract a wider readership.

Work began on the creation of a YouTube page to host the Commission's TV Public Service Announcements (PSAs), Ads, webinars and any other relevant content that will assist our investors with their financial choices and heighten the Commission's profile. The Commission is committed to implementing new digital platforms for the benefit of investors and potential investors.

### INVESTOR EDUCATION COMPETITION

From February 18 to March 08, 2013, the Commission partnered with the Trinidad and Tobago Stock Exchange Limited (TTSE) to host a competition for the youth of Trinidad and Tobago between the ages of 18 to 25 years. This age group was selected because it comprised young adults who are furthering or have completed higher education or training, are getting their first real job or are aiming to do so. This competition was one of the many initiatives that the Commission employed to achieve its vision for better informed, more educated and confident citizens who are able to take greater responsibility for their financial affairs and thus are able to play a more active role in the market.

### INTERACTIVE OUTREACH SESSIONS

In 2012/2013, the Commission continued its interactive investor education outreach sessions. Some of the participants in these sessions included members of the Trinidad and Tobago Defence Force (TTDF) such as the Air Guard, Coast Guard and Regiment. Sessions were also held with the Office of the Parliament, UWI Alumni Association and the Ministry of Labour and Small and Micro Enterprise Development. In Tobago, sessions were conducted with the Tobago Hospitality and Tourism Institute, Water and Sewerage Authority and Signal Hill Secondary School.

### TRADITIONAL MEDIA

#### Print Media

Over the fiscal period 2012/2013, the Commission placed investor education tips/messages in all daily newspapers in Trinidad and the main newspaper in Tobago. Secondary publications such as the Trinidad and Tobago Chamber of Industry and Commerce's CONTACT magazine, Trinidad and Tobago Association of Responsible Persons' (TTARP) 050Q magazine, Catholic News and the Employers Consultative Association's magazine were also utilised to spread our messages to the investor. An article in commemoration of World Consumer Rights Day 2013 was also published in March 2013 in one daily newspaper. This article provided readers with tips and guidance to help them as consumers of financial services.

#### Calendars

In December 2012, the Commission designed and printed two calendars: a one page calendar and a twelve page calendar which both provided tips and pertinent information for the new and experienced investor. Seventy

nine thousand (79,000) copies of the one page calendar were printed and distributed via a Sunday newspaper with five hundred (500) copies of a twelve page version distributed to stakeholders and corporate partners.

### Electronic Media (TV, Radio and Website)

Over the Christmas season (December 2012), the Commission scripted, produced and aired three radio Ads on seven frequencies in Trinidad and Tobago. These radio Ads provided listeners with information to assist them with their spending during the season and to help them with their financial planning for the New Year. In August and September 2013, four TV Public Service Announcements (PSAs) began airing on local television stations during their morning and evening prime time periods. These four PSAs were produced with assistance from the Caribbean New Media Group (CNMG) and provided viewers with information to safeguard themselves against fraudulent investment schemes which can thrive in the absence of proper information. Positive feedback was received from many persons and groups about this investor education initiative. The Commission's website remains a go-to-portal for research, education and current information on the securities sector in Trinidad and Tobago.

### IMPROVING THE IMAGE OF THE COMMISSION THROUGH GREATER ENGAGEMENT OF THE PUBLIC

#### Quarterly Newsletter

The Commission continued the publication of its quarterly communiqué in fiscal 2012/2013. During this period, Issues # 3, # 4 and # 5 were published and dispatched to stakeholders, fellow regulators, Members of Parliament, diplomatic missions and other agencies. Soft copies were also placed on the Commission's website and Facebook page.

#### Media Relations

The Commission participated in television interviews to discuss issues such as the passage of the Securities Act, 2012 and the Commission becoming a Full Signatory to the IOSCO MMoU. Media releases were also dispatched over the period to announce information pertaining to the new legislation, the Commission's IOSCO MMoU status, investor education initiatives and alerts for investors. These releases received coverage locally, regionally and from international media houses. Articles on matters related to the securities industry and the Commission were published in the Business section of a daily newspaper at no cost.

### Corporate Social Responsibility

The Commission partnered with St. Monica's Preparatory School in Port of Spain for its Literacy Week 2013. The Commission intends to seek out other initiatives which will benefit the community in which it operates as well as other worthy causes.

### Launch of a Wikipedia Page

The Commission launched a Wikipedia page to raise awareness of the Commission's role, mission and activities.

### Commemoration of Special Days, Events and Holidays

The Commission placed corporate messages in commemoration of Independence Day, Eid ul Fitr and Divali in special publications and the daily newspapers. These were aimed at raising awareness of the Commission's brand and to honour our stakeholders in a positive and rewarding way.

## INFORMATION AND COMMUNICATION TECHNOLOGY

The Information Management (IM) Division continued to focus on aligning the Division's goals and objectives to the Commission's Strategic direction.

This was realised through the consistent enhancement of the information assets. The addition of value-added communication technologies resulted in the development of a strategic enterprise-wide information repository, pertinent to events in the global securities industry. The Commission has fortified its technological infrastructure with the hardening and modernisation of its security mechanisms in order to provide better surveillance and detection of both actual and potential securities breaches.

The implementation of a contemporary communication infrastructure increased staff productivity. As a form of technological outreach, the IM staff continued to facilitate staff training via both classroom and virtual sessions. The objective of these sessions was to increase the proficiency in the utilisation of information and communication technology (ICT).

The wide spread adoption of a project management approach to achieving business goals/objectives continues to be a success within the Commission. IM has begun to proactively monitor the performance of the IT operations and its infrastructure, through projects such as the Information Technology Operations initiative resulting in increased efficiency and effectiveness of the IM staff.

# MANAGEMENT DISCUSSION

The continuous assessment of the use and effectiveness of technology in alignment to the needs of the Commission, is of utmost importance. The Division will continue to facilitate the development of the securities market by developing appropriate IM infrastructure and intensified electronic outreach to key stakeholders in this coming year.

## HUMAN RESOURCE AND TRAINING

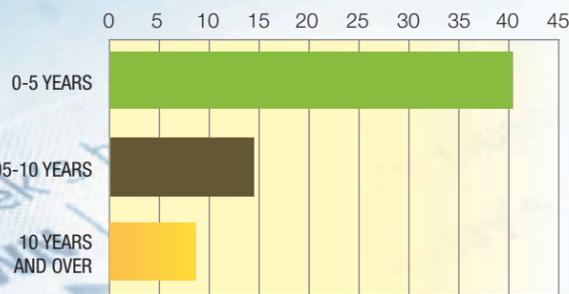
### RECRUITMENT

The Human Resource Department continued its search to recruit the highest calibre of professionals, notwithstanding the challenges faced in the labour market. For the period under review, the Commission recruited nineteen (19) persons to fill both professional and support positions.

### STAFFING

As at September 30, 2013, the staff complement was sixty-four (64). The period of service for employees of the Commission for the period 1997 to 2013 is depicted in the graph below:

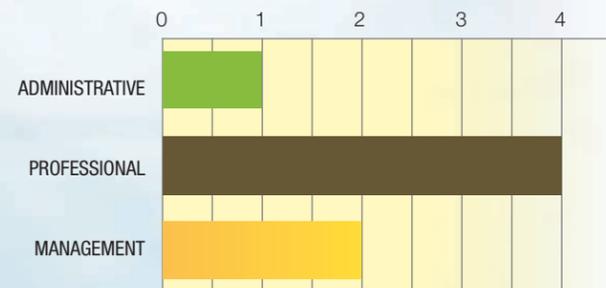
Period of Service Analysis



### Resignations

There were seven (7) resignations over the period as indicated below.

Resignations



During the fiscal period, the Commission sought to fill its key executive positions of Chief Executive Officer, Deputy Chief Executive Officer and General Counsel.

### Assignment to the Commission

#### Central Bank of Trinidad and Tobago

The Commission collaborated with the Central Bank of Trinidad and Tobago ("the Bank") to obtain assistance in developing a framework for the implementation of the Commission's new compliance and inspections function. The Bank assigned two of its senior Examiners to the Commission for a six month period in the first instance.

### Retirement

On October 9, 2012, Ms. Cheryl Cameron, Documentation Officer, became the Commission's first retiree, since its establishment in May 1997.

### TRAINING AND DEVELOPMENT

The Commission is committed to training and developing its employees. In an effort to enhance the continuous development of its workforce, employees attended a total of 60 training programmes (local, regional and international).

### IN MEMORY

On October 2, 2012, the Commission lost one of its long-standing employees, Mrs. Cindy Phillip, Legal Research Officer. This was indeed a tragic loss for the Commission, as she was the first employee since the establishment of the Commission who died in service. Her memory will be indelibly etched in the hearts of all those with whom she worked while at the Commission.

# STAFF OF THE COMMISSION



### LEGAL ADVISORY AND ENFORCEMENT

Standing, L-R: Shenda Murray, Astraea Douglas, Tricia Diamond, Tenille Babb, Glenis Potts  
 Sitting, L-R: Brian Peters, Candice Huggins, Raphael Romany  
 Absent: Anderson Sooparlle, Ava Solomon, Rhonda Simmons-Doyle



### DISCLOSURE, REGISTRATION AND FINANCE

Standing, L-R: Kevin Deopersad, Salisha Ali, Reshma Gupta, Tessa Farrier-Pierre, Michelle Rojas-Britto, Suresh Gobin  
 Sitting, L-R: Gerard Pierre, Giselle Bartholomew, Krystal Francette, Chandradath Maharaj  
 Absent: Abigail Baird, Kyle Delgado, Sheena Parkinson

## STAFF OF THE COMMISSION



### HUMAN RESOURCE MANAGEMENT

*Standing, L-R:* Aaron Cox, Francisca Ambrose-Grant  
*Sitting:* Joan Biroo-Wellington  
*Absent:* Ria Badree



### COMMUNICATIONS

*Standing, L-R:* Rachael Rampersad, Arlene Stephen  
*Sitting:* Dike Noel

## STAFF OF THE COMMISSION



### CORPORATE SERVICES

*Standing, L-R:* Frank Isaac, Tayeb Bostic, Kester Joseph, Kester Craig  
 Thaiz Gulston, Arlene Francis, Gail Bhola, Nathalia John, Mariella Woodruffe-Charles  
*Sitting, L-R:* Sparkle Ferreira, Nikita Deobhajan, Hazel Ramsingh-Persad, Sandiar Medina, Cylette Thomas  
*Absent:* Leslie Clarke, Hannah-Leah London

### POLICY, RESEARCH AND PLANNING

*Standing, L-R:*  
 Susan Alfonso  
 Kimberly Jeffers  
 Aneisha Paul  
 Anira Abraham

*Sitting, L-R:*  
 John Cozier  
 Ronald Phillip



### INFORMATION MANAGEMENT

*Standing, L-R:*  
 Charmaine Howard  
 Kevon Bailey  
 Anika Noel

*Sitting, L-R:*  
 Curlene James  
 Adrian Pennie  
 Carol Noel



# APPENDICES

# APPENDICES

TABLE A1: REGISTERED REPRESENTATIVES

	Name of Registered Representative	Associated Broker-Dealer	Type of Registered Representative
1	Agostini, Chantal	First Citizens Brokerage and Advisory Services Limited	Trader
2	Alexander, Liesel	KCL Capital Market Brokers Limited	Broker
3	Ali, Salma	West Indies Stockbrokers Limited	Broker
4	Alleyne, Harold	Caribbean Stockbrokers Limited	Broker
5	Awai, Gary	Intercommercial Bank Limited	Broker in GOTT Bonds
6	Basdeo, Anderson	Citicorp Merchant Bank Limited	Trader in GOTT Bonds
7	Basdeo, Roshan	West Indies Stockbrokers Limited	Trader
8	Bridgewater, Joanne	Republic Securities Limited	Broker
9	Chen, Nancy	West Indies Stockbrokers Limited	Trader
10	Chin, Ian	Ansa Merchant Bank Limited	Broker in GOTT Bonds
11	Clarke, Terrence	Maritime Capital Limited	Dealer, Investment Adviser, Underwriter
12	Coonai Ryan	Bourse Brokers Limited	Trader
13	Crooks, Victoria	Sheppard Securities Limited	Trader
14	Darbasie, Karen	Citicorp Merchant Bank Limited	Broker in GOTT Bonds
15	Eve, Patricia	Republic Securities Limited	Trader
16	Fadahunsi, Lai	AIC Securities Limited	Broker
17	Fletcher, Claire	Scotia Investments Trinidad and Tobago Limited	Broker
18	Gajadar, Kerry	Caribbean Stockbrokers Limited	Trader
19	Ghany, Rianna Sarah	First Citizens Bank Limited	Trader in GOTT Bonds
20	Gosein, Godfrey	Republic Securities Limited	Broker
21	Hepburn, Karrian	Scotia Investments Trinidad and Tobago Limited	Broker
22	Ho Sing Loy, Ameen	RBC Merchant Bank (Caribbean) Limited	Broker in GOTT Bonds
23	Inniss-Bernard, Judy	Republic Securities Limited	Trader
24	Johnson, Alvin	Caribbean Stockbrokers Limited	Broker
25	Julien, Jason	First Citizens Investment Services Limited	Trader
26	Khodai, Keshwar	First Citizens Bank Limited	Broker in GOTT Bonds
27	Leons, Keron	First Citizens Investment Services Limited	Trader
28	Mahabirsingh, Sherma	First Citizens Investment Services Limited	Trader
29	Manmohan, Adrian	West Indies Stockbrokers Limited	Broker
30	Mohammed, Shaun	Bourse Brokers Limited	Trader
31	Mullings, Donavan	Bourse Brokers Limited	Broker
32	Murray, Scott	Sheppard Securities Limited	Trader
33	Narine, Ian	Guardian Asset Management Limited	Broker
34	O'Brien, Anna	First Citizens Bank Limited	Trader in GOTT Bonds
35	Pereira, Marc	Sheppard Securities Limited	Trader
36	Rahaman, Hassan	First Citizens Bank Limited	Broker in GOTT Bonds
37	Ramkhelawan, Sarodh	Bourse Securities Limited	Broker

(continued)

**TABLE A1: REGISTERED REPRESENTATIVES** (continued)

Name of Registered Representative	Associated Broker-Dealer	Type of Registered Representative	
38	Ramkhelawan, Subhas	Bourse Securities Limited	Broker
39	Ramnath-Singh, Gail	Caribbean Stockbrokers Limited	Trader
40	Ramroop, Dianna	First Citizens Brokerage and Advisory Services Limited	Trader
41	Salloum, Christianne	Sheppard Securities Limited	Trader
42	Salvary, Brent	KSBM Asset Management Limited	Broker
43	Savary, Hilary	AIC Securities Limited	Trader
44	Sheppard, Alan	Sheppard Securities Limited	Trader
45	Sheppard, George	Sheppard Securities Limited	Broker
46	Singh, Mark	JMMB Investments (Trinidad and Tobago) Limited	Trader
47	Sookhoo, Anganie	RBC Merchant Bank (Caribbean) Limited	Trader
48	Sooknanan, Rishi	Citicorp Merchant Bank Limited	Trader in GOTT Bonds
49	St. Clair, Tallia	Scotia Investments Trinidad and Tobago Limited	Trader
50	St. Louis, Leslie	First Citizens Brokerage and Advisory Services Limited	Broker
51	Syne, Sascha	First Citizens Investment Services Limited	Broker
52	Tang Nian, Stephen	RBC Merchant Bank (Caribbean) Limited	Broker
53	Thomas, Rowland	Guardian Asset Management and Investment Services Limited	Broker
54	Thompson, Leah	Sheppard Securities Limited	Trader
55	Vieria, Lisa Ann	AIC Securities Limited	Trader
56	Wallace, Chivonne	First Citizens Bank Limited	Trader in GOTT Bonds
57	Wells-Fraser, Bernadette	AIC Securities Limited	Trader

**TABLE A2: INVESTMENT ADVISERS**

Name of Investment Adviser	Name of Investment Adviser		
1	Burris, Stephen	9	Infinity Financial Engineering Limited
2	Clewett, Nigel	10	Marquis Portfolio Managers Limited
3	FCL Financial Limited	11	Mondial (Trinidad) Limited
4	Funds International Limited	12	Quan-Soon, Ian
5	Global Financial Brokers Limited	13	RBC Investment Management (Caribbean) Limited
6	Goolcharan, Vishal	14	Ruby Wealth Management Limited
7	Guardian Life of the Caribbean Limited	15	Vega Capital Management Limited
8	Husain, Haroon		

**TABLE A3: REPORTING ISSUERS**

Name of Reporting Issuers	Name of Reporting Issuers		
1	Add Venture Capital Fund Limited	41	Life Settlements Funds Limited
2	Agostini's Limited	42	Mega Insurance Company Limited
3	Airports Authority of Trinidad and Tobago	43	Mora Ven Holdings Limited
4	Angostura Holdings Limited	44	National Commercial Bank Jamaica Limited
5	Angostura Limited	45	National Enterprises Limited
6	ANSA McAL Limited	46	National Flour Mills Limited
7	Ansa Merchant Bank Limited	47	National Infrastructure Development Company Limited
8	BCB Holdings Limited	48	National Insurance Property Development Company Limited
9	Berger Paints Trinidad Limited	49	National Maintenance Training and Security Company Limited
10	BWIA West Indies Airways Limited	50	Neal & Massy Holdings Limited
11	Capital and Credit Financial Group Limited	51	Nestle Trinidad and Tobago Limited
12	Capital and Credit Merchant Bank Limited	52	One Caribbean Media Limited
13	Caroni (1975) Limited	53	Point Lisas Industrial Port Development Corporation Limited
14	CIBC Private Client Fund Limited	54	Port Authority of Trinidad and Tobago
15	Citibank (Trinidad and Tobago) Limited	55	Prestige Holdings Limited
16	Citicorp Merchant Bank Limited	56	Public Transport Service Corporation
17	Development Finance Limited	57	RBC Financial (Caribbean) Limited
18	Dynamic Equity Fund II Limited	58	RBC Merchant Bank (Caribbean) Limited
19	Dynamic Equity Venture Fund Limited	59	RBC Royal Bank (Trinidad & Tobago) Limited
20	Education Facilities Company Limited	60	RBTT Finance Limited
21	First Citizens Asset Management Limited	61	Readymix (West Indies) Limited
22	First Citizens Bank Limited	62	Republic Bank Limited
23	First Citizens Investment Services Limited	63	Republic Finance and Merchant Bank Limited
24	FirstCaribbean International Bank Limited	64	Royal Bank of Canada
25	Flavorite Foods Limited	65	Royal Skandia Life Assurance Limited
26	FNCU Venture Capital Company Limited	66	Sagicor Asset Management (Trinidad and Tobago) Limited
27	Fortress Caribbean High Interest Fund Limited	67	Sagicor Financial Corporation
28	Fortress Caribbean Property Fund Limited	68	Sagicor Funds Incorporated
29	Fortress Global Value Fund Limited	69	Schroder International Selection Fund Global Energy
30	Fortress Mutual Fund Limited	70	Scotia Caribbean Income Fund Inc
31	Furness Trinidad Limited	71	Scotia Investments (Jamaica) Limited
32	GraceKennedy Limited	72	Scotiabank Trinidad & Tobago Limited
33	Guardian Holdings Limited	73	St Christopher Air and Sea Ports Authority
34	Guardian Media Limited	74	St. Kitts Urban Development Corporation Limited
35	Guardian Asset Management and Investment Services Limited	75	Supreme Ventures Limited
36	Intercommercial Bank Limited	76	TCL Leasing Limited
37	Jamaica Money Market Brokers Limited		
38	Jamaica Select Index Fund Limited		
39	L.J. Williams Limited		
40	La Brea Industrial Development Company Limited		

(continued)

**TABLE A3: REPORTING ISSUERS** (continued)

Name of Reporting Issuers		Name of Reporting Issuers	
77	TCL Service Limited	86	Trinidad and Tobago Mortgage Finance Company Limited
78	Telecommunications Services of Trinidad and Tobago Limited	87	Trinidad and Tobago Unit Trust Corporation
79	The Barbados Shipping & Trading Company Limited	88	Trinidad Cement Limited
80	The Home Mortgage Bank	89	Trinidad Select Index Fund Limited
81	The National Football Stadium Company Limited	90	Unilever Caribbean Limited
82	The West Indian Tobacco Company Limited	91	Unit Trust Corporation (Cayman) SPC Limited
83	Tourism & Industrial Development Company of Trinidad & Tobago Limited	92	Urban Development Corporation of Trinidad & Tobago Limited
84	TRS St. Lucia Limited	93	VT Umbrella Fund PCC Limited
85	Trinidad and Tobago Housing Development Corporation	94	Water & Sewerage Authority

**TABLE A4: BROKER-DEALERS**

Name of Broker-Dealer	Classes of Business
1 AIC Securities Limited	Broker, Dealer, Investment Adviser, Underwriter
2 Akan, Myrnelle V. **	
3 Alviar, Oscar **	
4 Ansa Merchant Bank Limited	Broker (G), Dealer, Investment Adviser, Underwriter
5 Ansa Securities Limited	Dealer, Investment Adviser, Underwriter
6 Bourse Brokers Limited	Broker, Dealer, Investment Adviser, Underwriter
7 Bourse Securities Limited	Broker, Dealer, Investment Adviser, Underwriter
8 Caribbean Stockbrokers Limited	Broker, Dealer, Investment Adviser, Underwriter
9 Carrera-Justiz, Francisco **	
10 Citicorp Merchant Bank Limited	Broker (G), Dealer, Underwriter
11 Clouden, Randolph **	
12 Development Finance Limited	Dealer, Investment Adviser, Underwriter
13 First Citizens Asset Management Limited	Dealer, Investment Adviser, Underwriter
14 First Citizens Bank Limited	Broker (G), Investment Adviser, Underwriter
15 First Citizens Brokerage and Advisory Services Limited	Broker, Dealer, Investment Adviser, Underwriter
16 First Citizens Investment Services Limited	Broker, Dealer, Investment Adviser, Underwriter
17 First Citizens Securities Trading Limited	Dealer, Investment Adviser, Underwriter
18 Firstline Securities Limited	Dealer, Investment Adviser, Underwriter
19 General Finance Corporation Limited	Dealer, Investment Adviser, Underwriter
20 Guardian Asset Management and Investment Services Limited	Broker, Dealer, Investment Adviser, Underwriter
21 Guardian Asset Management Limited	Broker, Dealer, Investment Adviser, Underwriter

**TABLE A4: BROKER-DEALERS** (continued)

Name of Broker-Dealer	Classes of Business
22 Intercommercial Bank Limited	Broker (G), Dealer, Investment Adviser, Underwriter
23 Intercommercial Trust and Merchant Bank Limited	Dealer, Investment Adviser, Underwriter
24 JMMB Investments (Trinidad and Tobago) Limited	Broker, Dealer, Investment Adviser and Underwriter
25 KCL Capital Market Brokers Limited	Broker, Dealer, Investment Adviser, Underwriter
26 KSBM Asset Management Limited	Broker, Dealer, Investment Adviser, Underwriter
27 Maritime Capital Limited	Dealer, Investment Adviser and Underwriter
28 Montes, Francisco **	
29 Murphy Clarke Financial Limited	Dealer, Investment Adviser, Underwriter
30 Padmore, Winston **	
31 RBC Merchant Bank (Caribbean) Limited	Broker, Dealer, Underwriter
32 Republic Bank Limited	Dealer, Investment Adviser, Underwriter
33 Republic Finance and Merchant Bank Limited	Underwriter
34 Republic Securities Limited	Broker, Investment Adviser
35 Sagicor Asset Management (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
36 Sagicor Life Incorporated	Dealer, Investment Adviser, Underwriter
37 Scotia Investments (Trinidad and Tobago) Limited	Broker, Dealer, Investment Adviser, Underwriter
38 Scotiabank Trinidad & Tobago Limited	Underwriter
39 Scotiastock and Merchant Bank (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
40 Sheppard Securities Limited	Broker
41 Trinidad and Tobago Unit Trust Corporation	Broker (G), Dealer, Investment Adviser, Underwriter
42 West Indies Stockbrokers Limited	Broker, Dealer, Investment Adviser, Underwriter

\*\* These are individuals who were previously registered as independent Brokers. Further to section 53(1)(a) of the Securities Act, 2012 these individuals are deemed to be Broker-Dealers until December 31, 2013.

**TABLE A5: UNDERWRITERS**

Underwriters
1 FirstCaribbean International Bank (Bahamas) Limited

**TABLE A6: SELF REGULATORY ORGANIZATIONS**

Name of Self Regulatory Organization
1 The Trinidad and Tobago Central Depository Limited
2 The Trinidad and Tobago Stock Exchange Limited

**TABLE A7: EQUITIES REGISTERED BY THE COMMISSION:**  
October 1, 2012 - September 30, 2013

\* JMD dollar values were converted at an Exchange rate of JMD\$1 = TT\$0.0623  
 \*\* 50,000 shares were offered at TT\$53.51, 28,450 shares were offered at TT\$53.62 and 6,486 shares were offered at TT\$47.87  
 \*\*\* 4,600 shares were offered at TT\$8.55 and 3,600 shares were offered at TT\$10.00  
 \*\*\*\* 5,000 shares were offered at TT\$8.55 and 18,800 shares were offered at TT\$10.00

Issuer	Type	Type of Shares	Description	No. of Shares	Currency	Price of Share	Value of Shares	Value of Shares in TT\$	Registration Date
Prestige Holdings Limited	DMSOP	Ordinary	Prestige Holdings Limited 54,982 Common Shares pursuant to its Directors and Management Share Option Plan	54,982	TT\$	\$ 5.75	\$ 316,146.50	\$ 316,146.50	22-Aug-13
Prestige Holdings Limited	DMSOP	Ordinary	Prestige Holdings Limited 137,419 Common Shares pursuant to its Directors and Management Share Option Plan	137,419	TT\$	\$ 4.00	\$ 549,676.00	\$ 549,676.00	22-Aug-13
Prestige Holdings Limited	DMSOP	Ordinary	Prestige Holdings Limited 17,377 Common Shares pursuant to its Directors and Management Share Option Plan	17,377	TT\$	\$ 5.75	\$ 99,917.75	\$ 99,917.75	22-Aug-13
<b>Sub-Total</b>	<b>DMSOP</b>			<b>209,778</b>				<b>\$ 965,740.25</b>	
GraceKennedy Limited	MSOP	Ordinary	GraceKennedy Limited 1,970 Ordinary Shares pursuant to its 2003 Managers Stock Option Plan	1,970	JMD*	\$ 50.83	\$ 100,135.10	\$ 6,238.42	13-Jun-13
<b>Sub-Total</b>	<b>MSOP</b>			<b>1,970</b>				<b>\$ 6,238.42</b>	
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 10,548 Ordinary Shares pursuant to its Executive Share Option Plan	10,548	TT\$	\$ 37.03	\$ 390,592.44	\$ 390,592.44	26-Nov-12
Ansa McAL Limited	ESOP	Ordinary	Ansa McAL Limited 84,936 Ordinary Shares pursuant to its Executive Stock Option Plan	84,936	TT\$	\$ 53.51, \$ 53.62 & \$ 47.87**	\$ 4,511,473.82	\$ 4,511,473.82	11-Dec-12
Agostini's Limited	ESOP	Ordinary	Agostini's Limited 8,200 Ordinary Shares pursuant to its Executive Share Option Plan	8,200	TT\$	\$ 8.55 & \$ 10.00***	\$ 75,330.00	\$ 75,330.00	2-Apr-13
Agostini's Limited	ESOP	Ordinary	Agostini's Limited 23,800 Ordinary Shares pursuant to its Executive Share Option Plan	23,800	TT\$	\$8.55 & \$10.00****	\$ 230,750.00	\$ 230,750.00	1-May-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 168,065 Ordinary Shares pursuant to its Executive Share Option Plan	168,065	TT\$	\$ 47.52	\$ 7,986,448.80	\$ 7,986,448.80	1-May-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 56,264 Ordinary Shares pursuant to its Executive Share Option Plan	56,264	TT\$	\$ 47.52	\$ 2,673,665.28	\$ 2,673,665.28	1-May-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 8,482 Ordinary Shares pursuant to its Executive Share Option Plan	8,482	TT\$	\$ 47.52	\$ 403,064.64	\$ 403,064.64	13-Jun-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 6,728 Ordinary Shares pursuant to its Executive Share Option Plan	6,728	TT\$	\$ 47.45	\$ 319,243.60	\$ 319,243.60	18-Jul-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 15,853 Ordinary Shares pursuant to its Executive Share Option Plan	15,853	TT\$	\$ 47.45	\$ 752,224.85	\$ 752,224.85	18-Jul-13
Agostini's Limited	ESOP	Ordinary	Agostini's Limited 10,000 Ordinary Shares pursuant to its Executive Share Option Plan	10,000	TT\$	\$ 8.55	\$ 85,500.00	\$ 85,500.00	22-Aug-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 41,708 Ordinary Shares pursuant to its Executive Share Option Plan	41,708	TT\$	\$ 47.45	\$ 1,979,044.60	\$ 1,979,044.60	22-Aug-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 29,246 Ordinary Shares pursuant to its Executive Share Option Plan	29,246	TT\$	\$ 47.45	\$ 1,387,722.70	\$ 1,387,722.70	22-Aug-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 10,183 Ordinary Shares pursuant to its Executive Share Option Plan	10,183	TT\$	\$ 47.45	\$ 483,183.35	\$ 483,183.35	30-Sep-13
Neal and Massy Holdings Limited	ESOP	Ordinary	Neal & Massy Holdings Limited 47,666 Ordinary Shares pursuant to its Executive Share Option Plan	47,666	TT\$	\$ 47.45	\$ 2,261,751.70	\$ 2,261,751.70	30-Sep-13
<b>Sub-Total</b>	<b>ESOP</b>			<b>521,679</b>				<b>\$23,539,995.78</b>	
First Citizens Bank Limited	Other	Ordinary	First Citizens Bank Limited 251,353,562 Ordinary Shares Pursuant to its Initial Public Offering	251,353,562	TT\$	\$ 22.00	\$5,529,778,364.00	\$ 5,529,778,364.00	12-Jul-13
<b>Sub-Total</b>	<b>Other</b>			<b>251,353,562</b>				<b>\$ 5,529,778,364.00</b>	
<b>Grand Total</b>				<b>252,086,989</b>				<b>\$ 5,554,290,338.45</b>	

**TABLE A8: DERIVATIVE SECURITIES REGISTERED BY THE COMMISSION:**  
October 1, 2012 - September 30, 2013

Issuer	Issue Name	Issue Type	Currency Type	Face Value	Value TT\$	Registration Date
Citicorp Merchant Bank Limited	Registration of Citicorp Merchant Bank Limited TT\$335,226,431.51 (Face Value) Certificates of Participation in the Government of Trinidad and Tobago Treasury Notes due 2017	Certificates of Participation	TT\$	\$ 335,226,431.51	\$ 335,226,431.51	11-Oct-12
First Citizens Bank Limited	First Citizens Bank Limited TT\$65,245,507 (Face Value) Certificates of Interest in National Insurance Property Development Company Limited Fixed Rate Bonds due 2022	Certificates of Interest	TT\$	\$ 65,245,507.00	\$ 65,245,507.00	11-Oct-12
First Citizens Investment Services Limited	Registration of the First Citizens Investment Services Limited TT\$42,096,409 (Face Value) Certificates of Interest in Government of Trinidad and Tobago Fixed Rate Bonds due 2014	Certificates of Interest	TT\$	\$ 42,096,409.00	\$ 42,096,409.00	11-Oct-12
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$2,047,491,506.83 (Face Value) Certificates of Participation in the TT\$2,500,000,000.00 Government of Trinidad and Tobago 5.20% Fixed Rate Bond due 2027	Certificate of Participation	TT\$	\$ 2,047,491,506.83	\$ 2,047,491,506.83	16-Nov-12
ANSA Merchant Bank Limited	ANSA Merchant Bank Limited TT\$564,860,000 (Face Value) Certificates of Participation in the Evolving TecKnologies and Enterprise Development Company Limited Loan	Certificate of Participation	TT\$	\$ 564,860,000.00	\$ 564,860,000.00	10-Dec-12
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$402,751,871.12 (Face Value) Certificates of Participation in Government of Trinidad and Tobago TT\$1,500,000,000 6.00% Fixed Rate Bond due 2031	Certificate of Participation	TT\$	\$ 402,751,871.12	\$ 402,751,871.12	26-Mar-13
First Citizens Investment Services Limited	First Citizens Investment Services Limited TT\$148,737,429.72 (Face Value) Certificates of Interest in National Insurance Property Development Company Limited TT\$339M 5.15% Secured Fixed Rate Bonds	Certificate of Interest	TT\$	\$ 148,737,429.72	\$ 148,737,429.72	1-May-13
First Citizens Investment Services Limited	First Citizens Investment Services Limited TT\$66,015,625.00 (Face Value) Certificates of Participation in Prestige Holdings Limited TT\$140,000,000 Fixed Rate Bond	Certificate of Participation	TT\$	\$ 66,015,625.00	\$ 66,015,625.00	18-Jul-13
Scotiabank (Trinidad and Tobago) Limited	Scotiabank (Trinidad and Tobago) Limited TT\$1,911,937,500 (Face Value) Certificates of Participation in the Government of Trinidad and Tobago TT\$1,500,000,000 15-Year Fixed Rate Bond due 2028	Certificate of Participation	TT\$	\$ 1,911,937,500.00	\$ 1,911,937,500.00	18-Jul-13
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$709,285,479.46 (Face Value) Certificates of Participation in Government of Trinidad and Tobago TT\$1,000,000,000 2.60% Fixed Rate Bond due 2020	Certificate of Participation	TT\$	\$ 709,285,479.46	\$ 709,285,479.46	18-Jul-13
<b>Grand Total</b>					<b>\$3,606,409,155.18</b>	

**TABLE A9: FIXED INCOME SECURITIES REGISTERED BY THE COMMISSION:**  
October 1, 2012 - September, 30 2013

Issuer	Type of Security	Description	Currency	Value	Value in TT\$	Registration Date
Urban Development Corporation of Trinidad and Tobago	Fixed Rate Bond	Urban Development Corporation of Trinidad and Tobago F TT\$213,000,000 4.35% Fixed Rate Bond due 2020	TT\$	\$ 213,000,000.00	\$ 213,000,000.00	22-Oct-12
RBC Royal Bank (Trinidad & Tobago) Limited	Fixed Rate Bond	RBC Royal Bank (Trinidad & Tobago) Limited TT\$750,000,000.00 Unsecured Subordinated (4.05-4.15%) Fixed Rate Bonds 2012-2027	TT\$	\$ 750,000,000.00	\$ 750,000,000.00	22-Oct-12
Angostura Holdings Limited and Angostura Limited	Variable Rate Note	Angostura Holdings Limited and Angostura Limited Commercial Paper of up to TT\$170,000,000 (Semi-Fixed Rate) Notes due 2014	TT\$	\$ 170,000,000.00	\$ 170,000,000.00	31-Oct-12
The Government of the Republic of Trinidad and Tobago	Fixed Rate Bond	Government of the Republic of Trinidad and Tobago TT\$5.1 Billion Fixed Rate Bond Issued in Two Tranches	TT\$	\$ 5,100,000,000.00	\$ 5,100,000,000.00	31-Oct-12
The Home Mortgage Bank	Floating Rate Bond	The Home Mortgage Bank TT\$354,285,000 Floating Rate Bonds (78th Issue) Issued in Two Tranches due 2022	TT\$	\$ 354,285,000.00	\$ 354,285,000.00	26-Nov-12
Urban Development Corporation of Trinidad and Tobago	Fixed Rate Bond	Urban Development Corporation of Trinidad and Tobago TT\$200 Million Fixed Rate Bonds	TT\$	\$ 200,000,000.00	\$ 200,000,000.00	11-Dec-12
Urban Development Corporation of Trinidad and Tobago	Fixed Rate Bond	Urban Development Corporation of Trinidad and Tobago TT\$250 Million Fixed Rate Bonds	TT\$	\$ 250,000,000.00	\$ 250,000,000.00	11-Dec-12
Trinidad and Tobago Mortgage Finance Company Limited	Fixed Rate Bond	Trinidad and Tobago Mortgage Finance Company Limited TT\$600,000,000 Secured Fixed Rate Bonds due 2023	TT\$	\$ 600,000,000.00	\$ 600,000,000.00	18-Jan-13
The Home Mortgage Bank	Floating Rate Bond	The Home Mortgage Bank TT\$200,000,000 Floating Rate Bond (79th Issue) due 2023	TT\$	\$ 200,000,000.00	\$ 200,000,000.00	22-Jan-13
Trinidad and Tobago Mortgage Finance Company Limited	Commercial Paper	Trinidad and Tobago Mortgage Finance Company Limited TT\$247,000,000 Secured Commercial Paper Notes due 2013	TT\$	\$ 247,000,000.00	\$ 247,000,000.00	1-May-13
Trinidad and Tobago Mortgage Finance Company Limited	Fixed Rate Bond	Trinidad and Tobago Mortgage Finance Company Limited TT\$500,000,000 Secured Fixed Rate Bonds 2013-2023	TT\$	\$ 500,000,000.00	\$ 500,000,000.00	1-May-13
Government of the Republic of Trinidad and Tobago	Fixed Rate Bond	Government of the Republic of Trinidad and Tobago TT\$180,000,000.00 2.65% Fixed Rate Bonds 2013-2026	TT\$	\$ 180,000,000.00	\$ 180,000,000.00	1-May-13
Government of the Republic of Trinidad and Tobago	Fixed Rate Bond	Government of the Republic of Trinidad and Tobago TT\$1,000 Million 2.60% 7-year Fixed Rate Bond due 2020	TT\$	\$ 1,000,000,000.00	\$ 1,000,000,000.00	1-May-13
Prestige Holdings Limited	Fixed Rate Bond	Prestige Holdings Limited TT\$140,000,000 Secured Fixed Rate Bonds due 2023	TT\$	\$ 140,000,000.00	\$ 140,000,000.00	1-May-13
Government of the Republic of Trinidad and Tobago	Fixed Rate Bond	Government of the Republic of Trinidad and Tobago TT\$1,000 Million 2.50% 10-year Fixed Rate Bond due 2023	TT\$	\$ 1,000,000,000.00	\$ 1,000,000,000.00	18-Jul-13
Government of the Republic of Trinidad and Tobago	Fixed Rate Bond	Government of the Republic of Trinidad and Tobago TT\$1,500,000,000 15 Year Fixed Rate Bond due 2028	TT\$	\$ 1,500,000,000.00	\$ 1,500,000,000.00	18-Jul-13
Urban Development Corporation of Trinidad and Tobago Limited	Variable Rate Bond	Urban Development Corporation of Trinidad and Tobago Limited TT\$3,425,998,724.00 Bond due 2028	TT\$	\$ 3,425,998,724.00	\$ 3,425,998,724.00	6-Sep-13
<b>Grand Total</b>					<b>\$ 15,830,283,724.00</b>	

# APPENDICES

**TABLE A10: COLLECTIVE INVESTMENT SCHEMES REGISTERED BY THE COMMISSION:  
October 1, 2012 - September, 30 2013**

Sponsor/Issuer	Currency	Fund Name	Description	Country	Registration Date
Bourse Securities Limited	US\$	Savinvest India Asia Fund			16-Oct-12
CLICO Trust Corporation Limited	TT\$	CLICO Investment Fund			26-Oct-12
Bourse Securities Limited	US\$	Bourse Brazil/Latin Fund			20-Mar-13



## FINANCIAL STATEMENTS

Statement of Management's Responsibilities .....	40
Independent Auditors' Report .....	41
Statement of Financial Position .....	42
Statement of Comprehensive Income .....	43
Statement of Changes in Accumulated Surplus .....	43
Statement of Cash Flows .....	44
Notes to the Financial Statements .....	45

## STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Commission as at the end of the financial year and of the operating results of the Commission for the year. It is also management's responsibility to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission. They are also responsible for safeguarding the assets of the Commission.

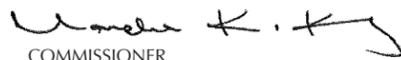
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the IFRS. Management are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Commission and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Commission will not remain a going concern for at least the next twelve months from the date of this statement.



COMMISSIONER



COMMISSIONER



CHAIRMAN

19 December, 2013  
**Trinidad and Tobago Securities and  
 Exchange Commission**  
 Port of Spain  
 Trinidad

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE TRINIDAD & TOBAGO SECURITIES AND EXCHANGE COMMISSION

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The Trinidad and Tobago Securities & Exchange Commission, which comprises the statement of financial position as at 30 September 2013, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

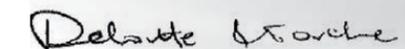
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Trinidad and Tobago Securities & Exchange Commission as at 30 September 2013 and of its financial performance and its cash flows for the year then ended in accordance with IFRS.

### OTHER MATTER

The financial statements of The Trinidad and Tobago Securities & Exchange Commission for the year ended 30 September 2012, were audited by another auditor who expressed an unmodified opinion on those statements on 23 January, 2013.



**Deloitte & Touche**  
 Port of Spain  
 Trinidad  
 19 December 2013

## STATEMENT OF FINANCIAL POSITION

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	NOTES	AS AT 30 SEPTEMBER	
		2013 \$	2012 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	5,409,871	6,363,768
Prepayments and other receivables	6	375,605	179,438
<b>Total non-current assets</b>		<b>5,785,476</b>	<b>6,543,206</b>
<b>Current assets</b>			
Cash and cash equivalents	7	49,801,373	47,274,132
Prepayments and other receivables	6	5,729,091	3,293,885
Taxation recoverable		85,589	85,728
<b>Total current assets</b>		<b>55,616,053</b>	<b>50,653,745</b>
<b>Total assets</b>		<b>61,401,529</b>	<b>57,196,951</b>
<b>ACCUMULATED SURPLUS AND LIABILITIES</b>			
<b>Accumulated surplus</b>		<b>58,468,024</b>	<b>52,066,002</b>
<b>Non-current liabilities</b>			
Deferred government subvention	8	270,833	1,895,833
<b>Current liabilities</b>			
Deferred government subvention	8	1,625,000	1,625,000
Payables and other accruals	9	1,037,672	1,610,116
<b>Total current liabilities</b>		<b>2,662,672</b>	<b>3,235,116</b>
<b>Total liabilities</b>		<b>2,933,505</b>	<b>5,130,949</b>
<b>Total accumulated surplus and liabilities</b>		<b>61,401,529</b>	<b>57,196,951</b>

The notes on pages 45 to 56 are an integral part of these financial statements.

On 19 December 2013, the Commissioners of The Trinidad & Tobago Securities and Exchange Commission authorised these financial statements for issue.



COMMISSIONER



COMMISSIONER



CHAIRMAN

## STATEMENT OF COMPREHENSIVE INCOME

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	NOTES	YEAR ENDED 30 SEPTEMBER	
		2013 \$	2012 \$
<b>Income</b>			
Registration fees		6,332,839	4,370,221
Government subvention	10	33,466,000	35,625,000
Interest		1,131	690
Other income		86,666	15,796
		<b>39,886,636</b>	<b>40,011,707</b>
<b>Expenses</b>			
Administration		(2,056,006)	(2,572,257)
Finance		(8,476)	(8,727)
Operating		(31,402,561)	(28,518,048)
	11	<b>(33,467,043)</b>	<b>(31,099,032)</b>
<b>Surplus before taxation</b>		<b>6,419,593</b>	<b>8,912,675</b>
<b>Taxation</b>	12	<b>(17,571)</b>	<b>(12,832)</b>
<b>Total comprehensive income for the year</b>		<b>6,402,022</b>	<b>8,899,843</b>

The notes on pages 45 to 56 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	YEAR ENDED 30 SEPTEMBER	
	2013 \$	2012 \$
<b>Balance at beginning of year</b>	<b>52,066,002</b>	<b>43,166,159</b>
<b>Total comprehensive income for the year</b>	<b>6,402,022</b>	<b>8,899,843</b>
<b>Balance at end of year</b>	<b>58,468,024</b>	<b>52,066,002</b>

The notes on pages 45 to 56 are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	NOTES	YEAR ENDED 30 SEPTEMBER	
		2013 \$	2012 \$
<b>Operating activities</b>			
Surplus before taxation		6,419,593	8,912,675
Adjustment to reconcile surplus to net cash from operating activities:			
Depreciation		1,634,487	2,039,695
Release of deferred government subvention		(1,625,000)	(1,625,000)
Net change in operating assets and liabilities	16	(3,203,817)	(22,459)
		3,225,263	9,304,911
Taxes paid			
		(17,571)	(12,832)
Tax refunds received			
		139	21,423
<b>Net cash generated from operating activities</b>		<b>3,207,831</b>	<b>9,313,502</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(680,590)	(231,875)
<b>Net cash used in investing activities</b>		<b>(680,590)</b>	<b>(231,875)</b>
<b>Increase in cash and cash equivalents</b>		<b>2,527,241</b>	<b>9,081,627</b>
<b>Cash and cash equivalents</b>			
At beginning of year		47,274,132	38,192,505
Increase for the year		2,527,241	9,081,627
At end of year	7	<b>49,801,373</b>	<b>47,274,132</b>

The notes on pages 45 to 56 are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

### 1. General information

The Trinidad & Tobago Securities and Exchange Commission is a body corporate and was established by an Act of Parliament known as the Securities Industries Act 1995 and now the Securities Act 2012. The Act provides for the regulation of the securities market and connected matters in Trinidad and Tobago. It also provides for the funds received from government, the fees earned and any other income earned from operations to be applied in defraying expenditure authorised by the Commission.

### 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting policies. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### 2.1(a) Application of new and revised International Financial Reporting Standards (IFRSs)

##### (i) Standards and Interpretations adopted with no effect on financial statements

- IAS 1, Presentation of Financial Statements. Amendments to revise the way other comprehensive income is presented (annual periods beginning on or after 1 July 2012).

##### (ii) Standards and Interpretations in issue not yet adopted

- **IFRS 9, Financial Instruments. Classification and Measurement (annual periods beginning on or after 1 January 2015)**

IFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities and for derecognition.

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically debt investments that are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at their fair value. Entities may also make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in fair value that is attributable to changes in the credit risk of the liability to be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

## 2. Summary of significant accounting policies (continued)

### 2.1(a) Application of new and revised International Financial Reporting Standards (IFRSs)

#### (ii) Standards and Interpretations in issue not yet adopted (continued)

- IFRS 13, Fair Value Measurement (annual periods beginning on or after 1 January 2013)**  
 IFRS 13 established a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of IFRS 13 apply to both financial instruments items and non-financial instrument items for which other IFRS require or permit fair value measurements and related disclosures, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. value in use for impairment assessment purposes).  
  
 IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. IFRS 13 requires prospective application for financial years beginning on or after 1 January 2013.
- IAS 19, Employee Benefits. Amended standard resulting from the post-employment benefits and termination benefits project (annual periods beginning on or after 1 January 2013)**  
 IAS 19 changes the accounting for defined benefit plans and termination benefits. The most significant changes relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated financial statement of financial position to reflect the full value of the plan deficit or surplus.
- IAS 32, Financial Instruments: Presentation. Amendments to Offsetting financial assets and financial liabilities (annual periods beginning on or after 1 January 2014)**  
 The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities specifically the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.
- IFRS 7 Financial Instruments: Disclosure amendments on offsetting financial assets & financial liabilities (annual periods beginning on or after 1 January 2013).**  
 The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.
- IAS 1, Presentation of Financial Statements. Clarification of the requirements for comparative information (annual periods beginning on or after 1 January 2013)**  
  
 The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

## 2. Summary of significant accounting policies (continued)

### 2.1(a) Application of new and revised International Financial Reporting Standards (IFRSs)

#### (ii) Standards and Interpretations in issue not yet adopted (continued)

- IAS 36 Impairment of assets: Disclosure. Amendments enhancing recoverable amounts and disclosures for non - financial assets (annual periods beginning on or after 1 January 2014)**  
  
 The amendments clarify the scope of the disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.
- 2.2 Foreign currency translation**
  - (i) Functional and presentation currency**  
 Items included in the financial statements of the Commission are measured using currency of the primary economic environment in which the Commission operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Commission's functional and presentation currency.
  - (ii) Transactions and balances**  
 Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.
- 2.3 Leasehold improvements and equipment**  
  
 All leasehold improvements and equipment is stated at historical cost less depreciation. Depreciation is calculated on the reducing balance basis unless otherwise stated to write off the cost of each asset to their residual values over their estimated useful life as follows:
 

Office equipment	- 25%
Leasehold improvements	- 20% - (Straight line)
Computer equipment	- 25%
Artwork and fixtures and fittings	- 10%
Motor vehicles	- 25%

The assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing proceeds with carrying amounts and are included in surplus before taxation.
- 2.4 Cash and cash equivalents**  
  
 Cash and cash equivalents include cash in hand, and deposits held at call with banks, with original maturities of three months or less.
- 2.5 Pension**  
  
 The Commission has established a defined contribution plan effective March 2005. Contributions are recognised as an expense when due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

## 2. Summary of significant accounting policies (continued)

### 2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Commission's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Commission expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.7 Revenue recognition

Interest income is recognised as it accrues to the Commission.

Fees charged by the Commission are recognised as income when services are provided.

See note 2.10 for Government subventions.

### 2.8 Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

## 2. Summary of significant accounting policies (continued)

### 2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income and expenditure account over the period of the lease.

### 2.10 Government subventions

Government subventions are made to the Commission in accordance with an annual budget to defray capital and operating expenditure not covered by fees from operations. There are no contingencies attached to the receipt of these subventions.

Government subventions relating to operating expenditure are recognised in the statement of comprehensive income as income representing immediate financial support in the period in which it becomes receivable.

Government subventions relating to property, plant and equipment are included in non-current liabilities as deferred government subventions and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

### 2.11 Financial assets

The Commission classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification is determined at initial recognition.

### 2.12 Comparative information

Where necessary, comparative information has been adjusted to conform to changes in presentation in the current year.

## 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Commission's accounting policies, which are described in note 2, management of the Commission are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Key sources of uncertainty, which requires the use of estimates, include:

#### *Useful lives and residual values of leasehold improvements and equipment*

The estimates of useful lives as translated into depreciation rates are detailed in the leasehold improvements and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognizance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

#### *Contingent liabilities*

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

### 4. Financial Risk Management

The Commission's activities do not expose it to any significant financial risks: market risk (including currency risk, fair value interest rate and price risk), credit risk and liquidity risk.

#### a) Market risk

##### (i) Cash flow and fair value interest rate risk

As the Commission has no significant interest bearing assets, the Commission's income and operating cash flows are substantially independent of changes in market interest rates.

#### b) Credit risk

Credit risk arises from cash and deposits with banks and financial institutions. For banks and financial institutions, only those with good standing and with a sound reputation are used.

#### c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Commission's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 1 year equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year \$
<b>At 30 September 2013</b>	
Payables and other accruals	<b>1,037,672</b>
<b>At 30 September 2012</b>	
Payables and other accruals	<b>1,610,116</b>

#### d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. All financial instruments are denominated in Trinidad and Tobago dollars, thus, the Commission is not exposed to currency risk.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

### 5. Property, Plant and Equipment

	Leasehold Improvements	Office Equipment	Computer Equipment	Artwork and Fixtures and Fittings	Motor Vehicles	Total
Cost	\$	\$	\$	\$	\$	\$
Balance at 1 October 2011	879,223	4,816,561	11,759,223	368,389	415,868	18,239,264
Additions	-	145,774	86,101	-	-	231,875
Balance at 30 September 2012	879,223	4,962,335	11,845,324	368,389	415,868	18,471,139
Additions	6,622	498,848	175,120	-	-	680,590
Balance at 30 September 2013	885,845	5,461,183	12,020,444	368,389	415,868	19,151,729
<b>Accumulated depreciation and impairment</b>						
Balance at 1 October 2011	(780,812)	(3,764,338)	(5,095,777)	(149,472)	(277,277)	(10,067,676)
Depreciation expense	(31,182)	(278,938)	(1,673,035)	(21,892)	(34,648)	(2,039,695)
Balance at 30 September 2012	(811,994)	(4,043,276)	(6,768,812)	(171,364)	(311,925)	(12,107,371)
Depreciation expense	(26,234)	(277,160)	(1,285,405)	(19,702)	(25,986)	(1,634,487)
Balance at 30 September 2013	(838,228)	(4,320,436)	(8,054,217)	(191,066)	(337,911)	(13,741,858)
<b>Carrying amount</b>						
At 1 October 2012	<b>67,229</b>	<b>919,059</b>	<b>5,076,512</b>	<b>197,025</b>	<b>103,943</b>	<b>6,363,768</b>
At 30 September 2013	<b>47,617</b>	<b>1,140,747</b>	<b>3,966,227</b>	<b>177,323</b>	<b>77,957</b>	<b>5,409,871</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

6. <b>Prepayments and Other Receivables</b>	2013 \$	2012 \$
<b>Non-Current</b>		
Rental deposit	375,605	179,438
<b>Current</b>		
Prepayments	428,091	313,885
Receivables from GOTT – Ministry of Finance	5,301,000	2,980,000
	5,729,091	3,293,885
	<b>6,104,696</b>	<b>3,473,323</b>

7. <b>Cash and Cash Equivalents</b>	2013 \$	2012 \$
Cash at bank and on hand	49,689,819	47,162,578
Short-term bank deposits	111,554	111,554
	<b>49,801,373</b>	<b>47,274,132</b>

The effective interest rate on short-term deposits was 0.25% (2012: 0.25%). These deposits have an average maturity of 90 days.

8. <b>Deferred Government Subvention</b>	2013 \$	2012 \$
Balance at beginning of year	3,520,833	5,145,833
Amounts transferred to the statement of comprehensive income	(1,625,000)	(1,625,000)
Balance at end of year	1,895,833	3,520,833
Less : release of deferred government subvention for upcoming financial year	(1,625,000)	(1,625,000)
	<b>270,833</b>	<b>1,895,833</b>

The deferred government subvention was received in the 2009 financial period and relates to funds allocated towards the Commission's Server Consolidation Project. This subvention is expected to be fully amortized by financial year 2015.

9. <b>Payables and Other Accruals</b>	2013 \$	2012 \$
Due to GOTT – Comptroller of Accounts	6,036	39,000
Payables and accrued expenses	1,031,636	1,571,116
	<b>1,037,672</b>	<b>1,610,116</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

10. <b>Government Subvention</b>	2013 \$	2012 \$
Current year funding	31,841,000	34,000,000
Release of deferred government subvention	1,625,000	1,625,000
	<b>33,466,000</b>	<b>35,625,000</b>

11. <b>Expenses By Nature</b>	2013 \$	2012 \$
Employee salaries & benefit expense (Note 13)	15,585,813	12,795,215
Rent/property expenses	5,795,513	4,566,911
Legal, professional and consultancy fees	1,512,971	2,973,327
Other expenses	920,128	744,469
Other staff expenses	302,579	284,866
Insurance	134,041	93,971
Recruitment	153,601	177,844
Depreciation	1,634,487	2,039,695
Training & seminars	1,831,804	2,006,971
Conferences & meetings	632,569	149,356
Public education & advertising	1,330,403	1,186,094
Utilities	567,877	672,121
Office supplies	300,478	201,177
Motor vehicle expenses	730,977	790,571
Telephone	178,896	432,692
Commissioners' fees	543,035	373,859
Library & subscriptions expenses	174,791	280,498
Computer related expenses	1,040,954	1,226,330
Printing and reproduction	96,126	103,065
	<b>33,467,043</b>	<b>31,099,032</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

12. <b>Taxation</b>	2013 \$	2012 \$
Business levy – current year	11,713	8,555
Green fund levy – current year	5,858	4,277
	<b>17,571</b>	<b>12,832</b>

The Commission's effective tax rate varies from the statutory rate as a result of the differences shown below:

Surplus before taxation	6,419,593	8,912,675
Corporation tax at the statutory rate of 25%	1,604,898	2,228,169
Expenses not deductible for tax purposes	16,965	11,816
Expenses reimbursed by the government subventions	6,338,387	6,271,831
Income not subjected to tax	–	(8,850)
Government subventions not subject to taxation	(7,960,250)	(8,500,000)
Business levy	11,713	8,555
Green fund levy	5,858	4,277
Other permanent differences	–	(2,966)
	<b>17,571</b>	<b>12,832</b>

The Commission has tax losses of approximately \$844,679 (2012: \$736,283) available for offset against future taxable profits. These losses have not yet been approved by the Board of Inland Revenue. No deferred tax asset relating to these losses has been recognized due to the uncertain timing of their recovery.

13. <b>Employee Salaries and Benefit Expense</b>	2013 \$	2012 \$
Salaries, national insurance and other staff expenses	14,857,419	12,176,596
Pension costs	728,394	618,619
	<b>15,585,813</b>	<b>12,795,215</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

### 14. **Capital And Operating Lease Commitments**

#### *Operating lease commitments*

The future minimum lease payments relating to the rental of premises and vehicles are as follows:

	2013 \$	2012 \$
Not later than 1 year	6,397,369	239,000
Later than 1 year and not later than 5 years	5,376,238	161,000
	<b>11,773,607</b>	<b>400,000</b>

#### *Capital commitments*

There are no capital expenditure contracted for at the financial position date (2012: \$Nil).

### 15. **Financial Instruments By Category**

The accounting policies for financial instruments have been applied to the line items below:

#### *Loans and receivables*

	2013 \$	2012 \$
Cash and cash equivalents	49,801,373	47,274,132
Prepayments and other receivables	6,104,696	3,473,323
	<b>55,906,069</b>	<b>50,747,455</b>

#### *Other financial liabilities*

Payables and other accruals	<b>1,037,672</b>	<b>1,610,116</b>
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### 16. **Net Changes In Operating Assets And Liabilities**

	2013 \$	2012 \$
Increase in prepayments and other receivables	(2,631,373)	(801,257)
(Decrease)/increase in payables and other accruals	(572,444)	778,7983
	<b>(3,203,817)</b>	<b>(22,459)</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2013

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

### 17. Related Party Transactions

The following transactions and balances were carried out with related parties:

	2013 \$	2012 \$
(i) Government subvention	33,466,000	35,625,000
(ii) Key management compensation	4,955,839	3,401,676
(iii) Receivable from GOTT – Ministry of Finance	5,301,000	2,980,000
(iv) Payable to GOTT – Comptroller of Accounts	6,036	39,000

### 18. Contingent liabilities

The Commission and the Banking, Insurance and General Workers' Union commenced negotiations on the formulation of the First Collective Agreement for monthly-paid employees for the period 4 April 2011 to 3 April 2014. Due to the early stage of negotiations, management has not been able to assess the impact of the potential liability on the financial performance of the Commission.

### 19. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements

**COMPLAINTS /QUERIES :**

To enquire about or lodge a complaint on any matter concerning either a registrant, a security registered with the Commission, any other security or any person engaged in securities transactions, please contact the Commission's Division of Market Regulation and Surveillance by mail, facsimile or telephone.



FOR ADDITIONAL COPIES OF THIS REPORT, WRITE TO:

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