



Trinidad & Tobago  
Securities & Exchange Commission

# Annual Report 2014

Regulating the Securities Industry so that you can  
**INVEST WITH CONFIDENCE**



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Securities & Exchange Commission

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# Letter of Transmittal

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January 31st 2015

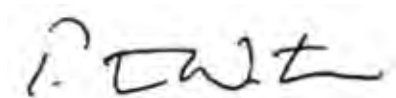
Senator the Honourable Larry Howai  
Minister of Finance and the Economy  
Eric Williams Finance Building  
Independence Square  
Port of Spain

Dear Minister Howai,

In accordance with the provisions of Section 20(1) of the Securities Act 2012, as amended ("the Act"), I submit the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2014 together with a copy of the Annual Audited Statement of Accounts certified by our external auditors.

Further, Section 20(2) of the Act requires that copies of this report be made available to the public after it has been laid in Parliament. In light of the foregoing, I shall be grateful if you could advise when it has been laid.

Yours faithfully,



Patrick Watson  
Chairman



# About The Commission

## OUR VISION

To be an effective regulator fostering confidence in the securities industry.

## OUR MISSION

To protect investors, promote and enable the growth and development of the securities industry by nurturing fair, efficient and transparent securities markets, cooperating with other regulators and mitigating systemic risk.

## FUNCTIONS OF THE COMMISSION

*The Trinidad and Tobago Securities and Exchange Commission ("the Commission") was established by the Securities Industry Act, 1995 which was later repealed and replaced by the Securities Act 2012. The Securities Act 2012 was further amended in 2014. The Commission is an autonomous body whose primary role is to regulate the securities industry in Trinidad & Tobago and all related matters. The functions of the Commission, as outlined in Section 6 of the Securities Act 2012 as amended ("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, reviews 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 combating the financing of terrorism or any other written law that is administered or supervised by the Commission;
- 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;
- k) Co-operate with other jurisdictions in the development of a fair and efficient securities industry; and
- l) Assess, measure and evaluate risk exposure in the securities industry.

**“The Commission is an autonomous body whose primary role is to regulate the securities industry in Trinidad & Tobago and all related matters.”**







# The Commissioners



## PROFESSOR PATRICK WATSON

Professor Patrick K. Watson was re-appointed as Chairman effective March 17, 2014. In addition to the chairmanship of the Commission, Professor Watson is The University of the West Indies' Director of the Sir Arthur Lewis Institute of Social & Economic Studies ("SALISES") as well as a Professor of Applied Economics at The University of the West Indies, St. Augustine, Trinidad & Tobago.



## MS. MARSHA KING

Ms. Marsha King is an attorney-at-law who has been in private practice for over twenty-five (25) years. She is versed in civil practice and procedure including civil appeal matters, civil matters at the magisterial level as well as civil trials in the capacity of both instructing and advocate attorney. Ms. King is currently serving her third term as a Commissioner.



## MR. HORACE MAHARA

Mr. Horace Mahara, MBA, MSs, CPA, CIA, FCCA CA, was re-appointed as a Commissioner effective January 31, 2014. Commissioner Mahara has over twenty-five (25) years of diversified experience in the realm of business with both international and local expertise in the fields of accounting/auditing, sales and marketing, banking, taxation, real estate and financial advisory services.



## MR. RAVI RAJCOOMAR

Mr. Ravi Rajcoomar has been an attorney-at-law for the past twenty-four (24) years. He has practised predominantly in the criminal arena but has also appeared in numerous civil cases. He has been a member of the Criminal Bar Association since its formation and has served on several of its committees. Mr. Rajcoomar is also a senior member of the Council of the Law Association of Trinidad and Tobago. Mr. Ravi Rajcoomar was re-appointed as a Commissioner with effect from January 31, 2014.



### **MS. NALINEE KHEMRAJ**

Ms. Naline Khemraj, MBA, PGDipProjMan, Dip. Law, began her three (3) year term as a Commissioner on December 19, 2012. Ms. Khemraj has over ten (10) years' managerial experience in administration, human resource management and corporate communications. She works with a diverse clientele from both the private and public sectors and is skilled in matters relating to contract interpretation and project administration.



### **MR. RENNIE K. GOSINE**

Mr. Rennie K. Gosine is an attorney-at-law who has been in private practice for the past eighteen (18) years. His areas of expertise are predominantly land, insurance and matrimonial law. He performs the role of both Instructing and Advocate Attorney at the Supreme Court of Trinidad and Tobago and has appeared as Advocate in several matters before the Court of Appeal. His two (2) year term as a Commissioner was with effect from March 17, 2014.



### **DR. ALVIN HILAIRE**

Dr. Alvin Hilaire is currently the Deputy Governor of the Central Bank of Trinidad and Tobago (CBTT). He formerly held the positions of Chief Economist and Director of Research at the CBTT. His appointment as a Commissioner was made effective from March 17, 2014.



### **MS. SUZETTE TAYLOR-LEE CHEE**

Ms. Suzette Taylor-Lee Chee is currently a Deputy Permanent Secretary in the Ministry of Finance and the Economy with responsibility for key policy areas including debt management, pension reform and double taxation. Ms. Taylor-Lee Chee was appointed as a Commissioner on March 17, 2014.



# Chairman's Message

## Introduction

*2014 was a year in which the Commission made remarkable strides which included the passage of the Securities (Amendment) Act 2014, the signing of several memoranda of understanding between other domestic regulators and the formation of the Commission's Compliance and Inspections Division as well as its International Affairs Division.*

*During this year, the Commission welcomed its new Chief Executive Officer ("CEO"), Mr. C. Wainwright Iton. Mr Iton was the former CEO of the Trinidad and Tobago Stock Exchange Limited and brings with him over thirty (30) years of experience in finance and management. The Commission also welcomed Ms. Lystra Lucillio as its Deputy Chief Executive Officer ("DCEO"). Before officially assuming duties as DCEO, Ms. Lucillio was the Commission's Director, Information Management.*

## International Obligations

The Commission is a member of the International Organization of Securities Commissions ("IOSCO") which is the leading international policy forum for securities regulators and is recognised as the global standard setter for securities regulation. It is my pleasure to note that we have been able to represent Trinidad and Tobago at the highest level of IOSCO as the Commission was elected to sit on IOSCO's Board. This Board is pivotal as it plays a key role in shaping the long term architecture of global capital markets. The Commission remains the only regulator from the Caribbean region to achieve this accomplishment.

In addition to serving on the IOSCO Board, the Commission was re-elected as the third member of the Inter-American Regional Committee (IARC) of IOSCO which comprises twenty-eight (28) securities regulators from the Caribbean, United States of America, Canada, Central America and South America. These regulators all share unique issues and interests as a result of their historical, socio-cultural and legislative characteristics.

**Professor  
PATRICK  
WATSON,**  
Chairman



The IARC is the vehicle through which IOSCO seeks to give representatives of the Americas, the opportunity to jointly bring to the fore, issues that may have particular relevance to the region or to members within the region.

The Commission is also a member of the Growth and Emerging Markets Committee ("GEMC"), which is one of the largest Committees within IOSCO. This Committee aims to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programmes and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

Since its establishment, the GEMC has been focusing its efforts on three (3) key areas: (i) developing greater regulatory capacity for emerging market members; (ii) deepening regulatory and policy work on emerging market issues; and (iii) strengthening risks and vulnerabilities assessment of emerging markets.

Another area of importance for the GEMC has been its policy work on Small and Medium Enterprise ("SME") financing through capital markets. The GEMC was mandated to highlight regulatory and other challenges facing SMEs in small business capital formation and to explore ways for securities regulators to overcome those challenges.

In order to deal with the foregoing and other international obligations, the Commission has created an International Affairs

Division. This Division, though in its embryonic stage, is expected to play a key role in driving and supporting the development of policies and strategies to engage international, regional and other key stakeholders in the securities markets. The Division is presently housed under the Office of the CEO.

I am pleased to note that in keeping with the Commission's function to co-operate and provide assistance to regulatory authorities both domestic and international, significant progress has been made with the signing of several information sharing agreements with fellow regulators as well as industry groups.

The Commission signed a Multilateral Memorandum of Understanding with our regional partners, the Caribbean Group of Securities Regulators ("CGSR"), a Memorandum of Understanding with the CBTT and executed a Protocol with the Securities Dealers Association of Trinidad and Tobago ("SDATT"). These agreements aim to facilitate mutual cooperation in the conduct of the regulatory and supervisory functions under the relevant securities laws, regulations and rules, including specific initiatives between signatories that will require such cooperation and collaboration.

Regulators play a critical role in supporting the contribution that securities markets make in fostering economic growth and development which will ultimately lead to a higher standard of living for citizens. The Commission is charged with the responsibility of developing systems to support the growth of an efficient and transparent securities market. In carrying out this responsibility, the staff of the Commission worked assiduously throughout this fiscal year to amend the Securities Act 2012 so as to ensure the effective operationalisation of the Commission's functions.

The successful development of an efficient and transparent market, in addition to the strengthening of the legislative framework, is dependent upon continuous and open dialogue between the Commission and its stakeholders. With this in mind, the Commission enhanced its consultative and collaborative efforts which were aimed at providing greater clarity on legislative amendments and developments.

## Institutional Strengthening

The SA 2012 empowered the Commission to conduct

compliance reviews (on-site inspections) of Self-Regulatory Organisations ("SROs") and persons registered as broker-dealers, investment advisers, underwriters and reporting issuers. In January 2014, the Commission formally established the Division of Compliance and Inspections to determine whether market intermediaries or SROs are complying with the provisions of the SA 2012, the Proceeds of Crime Act, the Anti-Terrorism Act, any written law in relation to the prevention of money laundering and combating the financing of terrorism, or any other law that is administered by the Commission.

## Corporate Governance

It is internationally recognised that good governance includes four (4) pillars: the Board of Directors, External Auditing, Executive Management and Internal Auditing.

To complete its corporate governance structure, the Commission formally established an Internal Audit Department. This department is charged with the responsibility of evaluating and providing reasonable assurance that risk management, control, and governance systems are functioning as intended, thereby enabling the Commission's goals and objectives to be achieved.

The Commission now benefits from a stronger Corporate Governance framework as this department is focused heavily on building the internal audit function and evaluating the adequacy and effectiveness of the Commission's internal controls.

## Additions to the Board

The SA 2012 allows for the expansion of the Board of Commissioners to no more than nine (9) nor fewer than five (5) members including the Chairman, the Deputy Chairman, an attorney-at-law of at least ten (10) years standing and a representative from the Ministry of Finance and the Economy.

During 2014, the Commission welcomed three (3) additional Commissioners taking its complement to eight (8). I take this opportunity to welcome Mr. Rennie Gosine, Dr. Alvin Hilaire and Ms. Suzette Taylor-Lee Chee.

## Acknowledgements

I take this opportunity to thank my fellow Commissioners for their support over this past year and I look forward to continuing our work in fostering a fair and efficient securities market. I also offer my congratulations to the CEO, Mr. C. Wainwright Iton for his astute leadership during the past year. I would also like to thank the dedicated team of management and staff who have continued to exhibit professionalism and unwavering commitment to the evolving mandate of the Commission.



# CEO's Message



**MR. C. WAINWRIGHT ITON**  
Chief Executive Officer

*2014 was an important year for the Commission as a number of very significant events/activities were either initiated or completed during the period, viz:*

- a) The launch of the Commission's Strategic Plan 2014-2018;
- b) Clarification of "Material Change" reporting for Reporting Issuers;
- c) The launch of an investigation into the First Citizens' Initial Public Offering ("IPO");
- d) The passage of the Securities (Amendment) Act 2014 in September 2014;
- e) The commencement of negotiations with the Banking, Insurance and General Workers Union ("BIGWU") of the first Collective Bargaining Agreement;
- f) The establishment of the Compliance and Inspection Division and the conduct of five (5) compliance reviews of registrants;
- g) Participation in a Task Force appointed by the Ministry of Finance and the Economy, to "Determine the most suitable Model of Financial Regulation and Supervision for Trinidad & Tobago". **A report was submitted to the Ministry of Finance and the Economy on September 3, 2014;** and
- h) An appearance before the Public Accounts Committee of the Parliament of the Republic of Trinidad and Tobago ("the Parliament").

## The Securities (Amendment) Act, 2014

In 2012, when the Securities Act 2012 was passed, an undertaking was made in the Parliament, that a number of amendments would be effected within a six (6) month period. This undertaking was satisfied on September 10, 2014 when the Securities (Amendment) Act 2014 was assented to by the President of the Republic of Trinidad and Tobago.

The significant amendments are highlighted below:

- a) Amended Sections 4(5) and 4(6) which deal with "location of trade";
- b) A change of "offences" to "summary offences" instead of "indictable offences" and the introduction of a schedule of offences which can be disposed of by administrative fines;
- c) A change from prescribed forms to administrative forms; and
- d) The exemption from registration requirements for

“ I have personally committed to the realisation of the objectives and have asked each and every member of staff to similarly commit. Each of us must constantly strive to improve every aspect of our work; which once we do, we will be well on the road to realising these three (3) primary objectives.”

Government-issued securities. However, the arranger must file a post-distribution statement and pay market access fees.

It was the Commission's intention to have the Securities (General) By-Laws 2014 laid in Parliament before the end of 2014. This did not happen, however, it is expected that these By-Laws will be laid early in 2015. Thereafter, all the other By-Laws and Guidelines would have to be updated to reflect changes in SA 2012. This is an urgent necessity.

## Strategic Plan 2014-2018

The Strategic Plan 2014-2018 is built around three (3) overarching objectives, viz:

- a) To improve the operational efficiency and effectiveness of the Commission;
- b) To develop a positive corporate identity; and
- c) To foster the development of the Securities Industry.

I have personally committed to the realisation of the objectives and have asked each and every member of staff to similarly commit. Each of us must constantly strive to improve every aspect of our work; which once we do, we will be well on the road to realising these three (3) primary objectives.

## Investor Education

The Commission is mandated by law, Section 6 of the SA, 2012 “to educate and promote an understanding by the public, of the securities industry and the benefits, risks and liabilities associated with investing in securities.” We take this charge very seriously and intend to intensify our efforts in 2015. In the period under review, we began a series of regional outreach seminars, which would see us visiting a number of locations in the Twin-Island Republic, informing and educating citizens about the securities industry.

## Registration of Securities

There was a very noticeable decrease in the value of securities registered with the Commission during the period under review.

- a) Debt securities registered in fiscal 2014 fell to \$10.1 billion from \$15.8 billion in fiscal 2013, that is, a thirty-six (36) percent reduction.
- b) Securitised investments registered in fiscal 2014 fell to \$1.0 billion from \$3.6 billion in fiscal 2013, that is, a seventy-two (72) percent reduction.
- c) Equities reflected a similar pattern, however, fiscal 2013's figures included the approximate \$5.5 billion First Citizens IPO.

In summary, the value of all securities registered in fiscal 2014, fell to \$11.2 billion, from \$25 billion in fiscal 2013; a fifty-five (55) percent reduction. There must be a reversal of this trend in fiscal 2015.

## Outlook for 2015

Without a crystal ball, it is impossible to predict what will happen in 2015. How many persons in January 2014 predicted that the world's oil price would have been approximately US\$60 per barrel in December 2014. It is clear, however, that 2015 will have its own challenges, for which we must be properly prepared.

## Acknowledgement

In calendar year 2014, the Commission was saddened by the untimely death of Mrs. Carol Noel, our Director (Ag.), Information Management. Carol served the Commission selflessly and with excellence for sixteen (16) years. May her soul rest in peace.

We were further saddened by the loss of the first retiree of the Commission, Ms. Cheryl Cameron, who also gave invaluable service to the Commission for many years. May her soul also rest in peace.

In closing, I wish to record my appreciation to the Chairman and Board of Commissioners for precise policy guidance and timeless commitment to duty; to the management and staff of the Commission for delivery of our mission to all our stakeholders, by their diligence and hard work.



# Collective Investment Schemes Industry

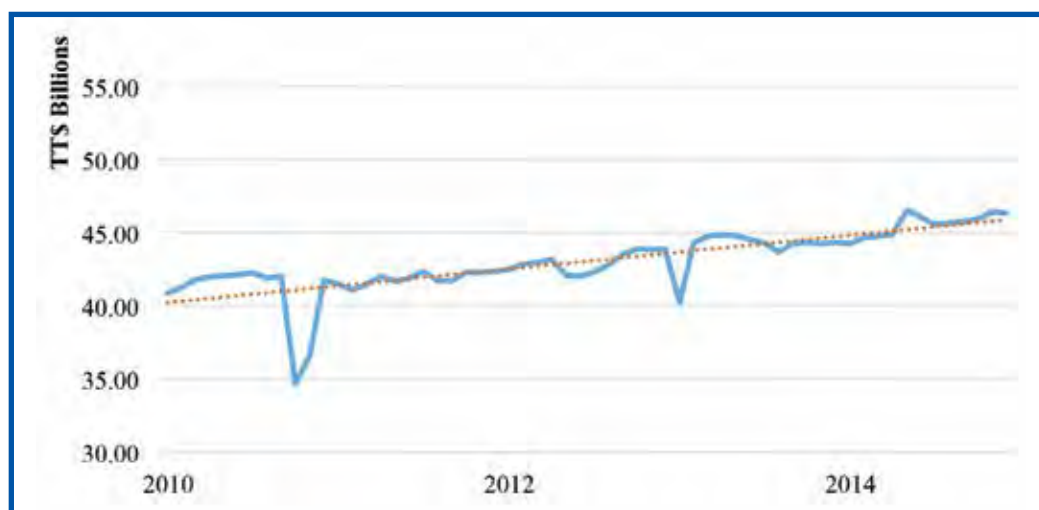
Collective Investment Schemes<sup>1</sup> ("CISs"), regulated by the Commission, are investment vehicles which, over the last five (5) years have accumulated Funds under Management ("FUM") of approximately 25.76 percent of GDP (Table 1).

In 2008<sup>2</sup>, the Commission issued guidelines for CISs in accordance with the Securities Industry Act, 1995.

These guidelines regulate the operations and management of CISs to ensure that investors' interests are protected and that CIS managers, issuers and sponsors adhere to specific rules as they relate, inter alia, to the following:

1. Prospectus disclosures;
2. Delivery and content of Financial Statements; and
3. Investment Restrictions.

Figure 1: Growth in FUM for the period January 2010 - December 2014



Source: Trinidad and Tobago Securities and Exchange Commission

Table 1: FUM as a percentage of GDP for the period 2010-2014

| YEAR | GDP (TT\$ Billion) | FUM (TT\$ Billion) | FUM AS % OF GDP |
|------|--------------------|--------------------|-----------------|
| 2010 | 134.13             | 41.75              | 31.12           |
| 2011 | 156.45             | 42.33              | 27.06           |
| 2012 | 158.05             | 43.89              | 27.76           |
| 2013 | 175.61             | 44.36              | 25.26           |
| 2014 | 179.84             | 46.33              | 25.76           |

Source: Review of the Economy 2014, Ministry of Finance and the Economy (GDP); Trinidad and Tobago Securities and Exchange Commission Collective Investment Scheme Monitor

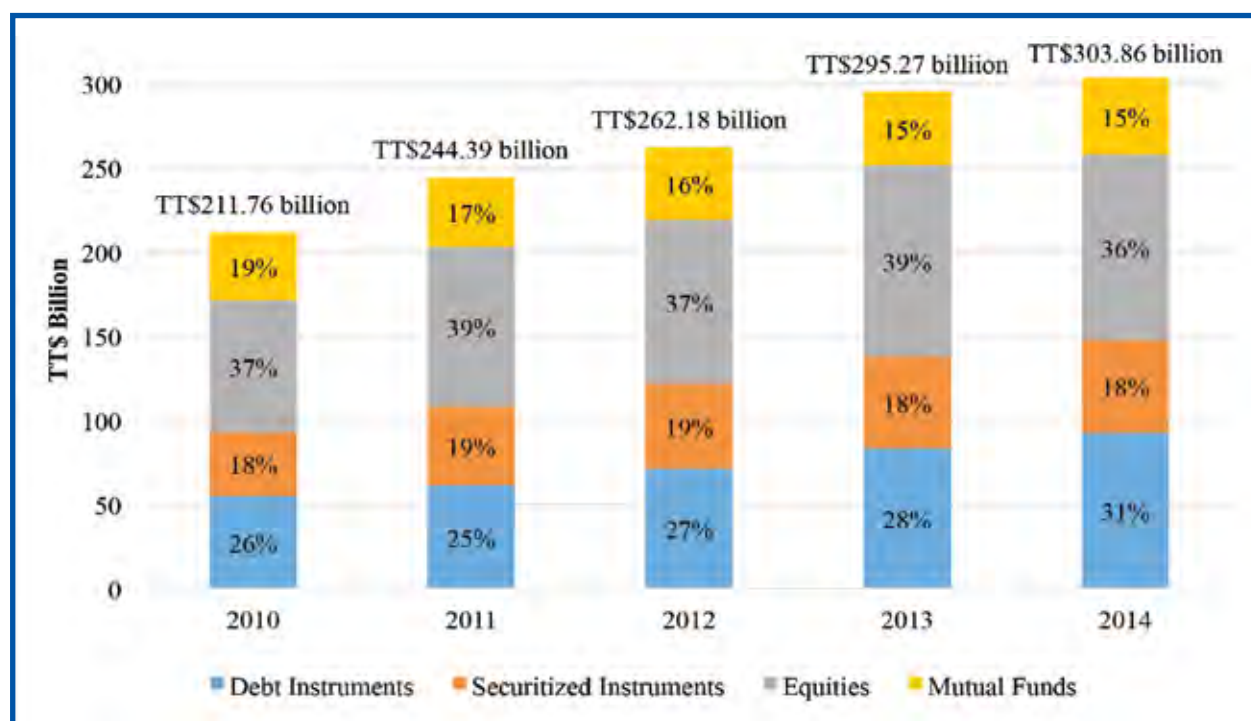
<sup>1</sup> The review period for the Collective Investment Scheme is January – December 2014.

<sup>2</sup> For further reading, see: <http://www.ttsec.org.tt/content/pub090501.pdf> and <http://www.ttsec.org.tt/content/reg050627-4.pdf>

Funds under Management grew steadily at an average rate of two (2) percent per year (Figure 1). At the end of December 2014, FUM was valued at TT\$46.33 billion which represented fifteen (15) percent of the overall value of the securities industry. As illustrated in Figure 2, the value of the securities industry

increased by 43.49 percent during the five (5) year period, 2010-2014. Table 2 provides a brief synopsis of the performance of the local stock market for the period 2013-2014. On average, CISs have contributed 16.40 percent to the total value of the securities industry during the last five (5) years (Figure 2).

Figure 2: Securities Market Size 2010-2014\*



Source: Trinidad and Tobago Securities and Exchange Commission

\* Estimated figures as at December 31 of each year

In 2014, overall activity in the CIS industry resulted from the participation of sixty-one (61) CISs sponsored by fourteen (14) issuers. Five (5) issuers collectively managed approximately ninety-three (93) percent (TT\$43.12 billion) of overall FUM at the end of 2014. Non-equity based funds accounted for eighty-four (84) percent (TT\$38.73 billion) of overall FUM at the end of 2014. A year-on-year comparison between equity and non-equity based funds shows that equity-based funds grew at a faster rate than non-equity based funds (Figure 3).

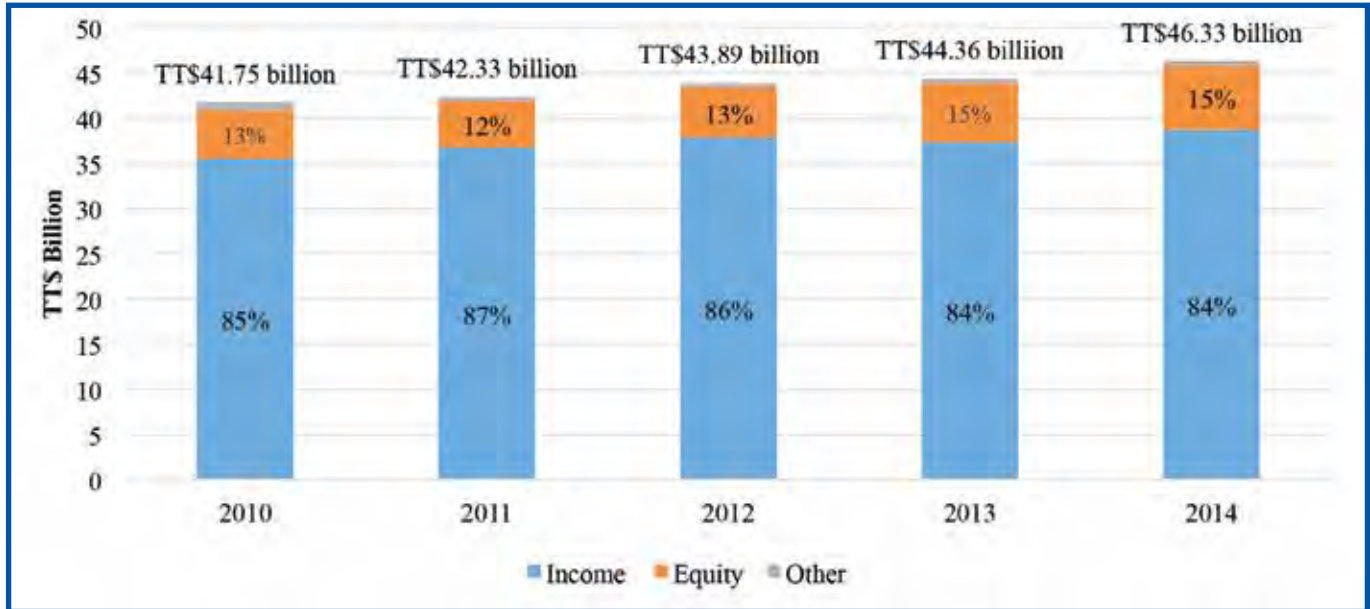
Table 2: Overview of the Trinidad and Tobago Stock Market Data 2013-2014

|                              | 2014 (Billion) | 2013 (Billion) | % Change |
|------------------------------|----------------|----------------|----------|
| <b>Volume</b>                | 0.09           | 0.10           | -10.00   |
| <b>Value</b>                 | TT\$1.12       | TT\$1.11       | 0.90     |
| <b>Market Capitalisation</b> | TT\$109.71     | TT\$114.00     | -3.76    |
| <b>Indices</b>               |                |                |          |
| <b>Composite</b>             | 1,150.91       | 1,185.05       | -2.88    |
| <b>All T&amp;T</b>           | 1,983.18       | 1,993.72       | -0.53    |
| <b>Cross-Listed</b>          | 41.72          | 49.43          | -15.59   |

Source: Trinidad and Tobago Stock Exchange Limited



Figure 3: Breakdown of the CIS industry 2010- 2014\*



Source: Trinidad and Tobago Securities and Exchange Commission

\* Estimated figures as at December 31 of each year



## Trinidad and Tobago Securities and Exchange Commission - Annual Report 2014



Table 3: Registrants and Self-Regulatory Organizations Registered with the Commission

| Class of Registration                                      | As at September 30, 2014 | As at September 30, 2013 | Change    |
|--|--------------------------|--------------------------|-----------|
| <b>Registrants</b>   |                          |                          |           |
| Registered Representatives                                 | 64                       | 57                       | 7         |
| Investment Advisers  | 18                       | 15                       | 3         |
| Broker-Dealers   | 45                       | 42                       | 3         |
| Reporting Issuers  | 97                       | 94                       | 3         |
| Underwriters   | 1                        | 1                        | 0         |
| <b>Total Registrants</b>                                   | <b>225</b>               | <b>209</b>               | <b>16</b> |
| <b>Self-Regulatory Organizations</b>                       | <b>2</b>                 | <b>2</b>                 | <b>0</b>  |
| <b>Total Registrants and Self-Regulatory Organizations</b> | <b>227</b>               | <b>211</b>               | <b>16</b> |

Source: Trinidad and Tobago Securities and Exchange Commission

## Registration of Securities

During fiscal 2014, the Commission registered a total of forty-five (45) issues of securities valued at TT\$11.23 billion. When compared to fiscal 2013,

this represented a fifty-five (55) percent decline in the total value of securities registered. This decline was attributed to a fall in the number of debt securities and securitised instruments registered with the Commission over the period. [Table 4](#) provides a comparative summary of the categories of securities and their values that were registered for the fiscal years 2013 and 2014.

Table 4: Categories of Securities Registered with the Commission, 2013 and 2014

| Class of Securities                              | As at September 30, 2014 |                               | As at September 30, 2013 |                               |
|--|--------------------------|-------------------------------|--------------------------|-------------------------------|
|  | Number of Issues         | Value of Securities in TT\$Mn | Number of Issues         | Value of Securities in TT\$Mn |
| <b>Debt Securities</b>                           | 14                       | 10,150.95                     | 17                       | 15,830.28                     |
| <b>Securitised Instruments</b>                   | 3                        | 1,019.63                      | 10                       | 3,606.41                      |
| <b>Equities</b>                                  | 25                       | 54.49                         | 19                       | 5,554.29                      |
| <b>Collective Investment Schemes<sup>3</sup></b> | 3                        | *                             | 3                        | *                             |
| <b>Total</b>                                     | <b>45</b>                | <b>11,225.07</b>              | <b>49</b>                | <b>24,990.98</b>              |

Source: Trinidad and Tobago Securities and Exchange Commission

<sup>3</sup> Guideline 6 of the CIS Guidelines require that CISs registered with the Commission must, at the time of registration, have a minimum initial capital of TT\$2 million and investments of at least TT\$5 million in securities. The market valuation of these securities are not provided at the time of registration.

Debt securities, registered with the Commission, accounted for ninety (90) percent of the total value of securities registered during fiscal 2014 while securitised instruments accounted for approximately nine (9) percent. There was a notable decline in the value of equities registered during the period as the First Citizens Bank Limited IPO accounted for approximately ninety-nine (99) percent or \$5.53 billion of the total value of equities registered in fiscal 2013. Figure 4 shows the composition of the total value of securities registered during fiscal 2014.

## Debt Securities

There were fourteen (14)<sup>4</sup> debt securities registered in fiscal 2014; three (3) less than in fiscal 2013. These were valued at approximately TT\$10.15 billion which was thirty-six (36) percent lower than those registered in fiscal 2013 (TT\$15.83 billion). *Figure 5* provides a comparison between the debt securities registered in fiscal 2013 and 2014. Twelve (12) issues registered in fiscal 2014 were denominated in Trinidad and Tobago dollars and two (2) were in US dollars.

## Securitised Instruments

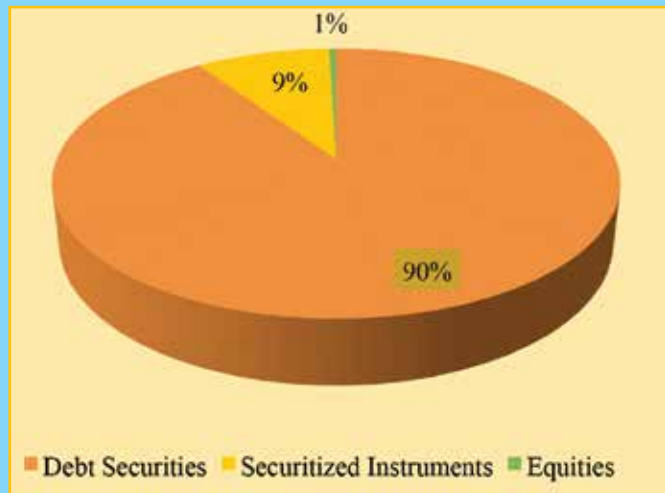
The Commission registered three (3) securitised instruments with a total value of TT\$1.02 billion representing a seventy-two (72) percent decrease in value compared to those registered in fiscal 2013 (*Figure 6*). Two (2) instruments were based on fixed rate bonds and one (1) on a fixed rate note. All securitised instruments registered in fiscal 2014 were issued in Trinidad and Tobago dollars.

## Equities

In fiscal 2014, the Commission registered twenty-five (25) issues of equity securities, six (6) more than in fiscal 2013. All registered equity securities were Employee Stock Compensation Plans (ESOPs) which comprised 1,349,761 shares with an estimated value of TT\$54.49 million. The aggregate value of this fiscal year's issues, was approximately TT\$5 billion less than that of the prior year (*Table 5*).

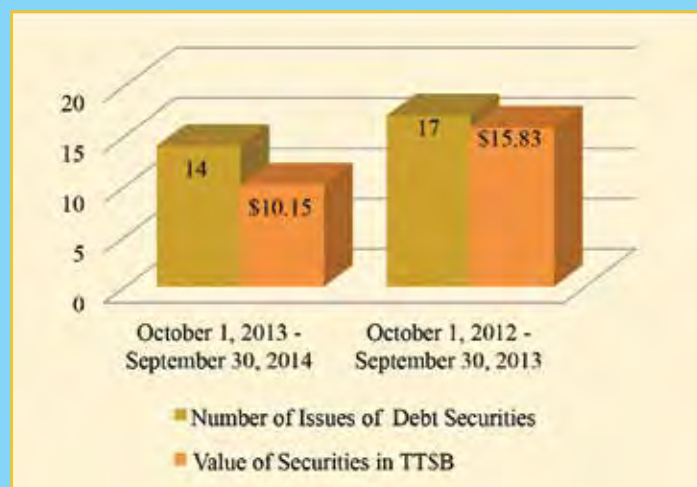
<sup>4</sup> These comprised nine (9) fixed rate bonds, one (1) fixed rate note, one (1) floating rate bond, one (1) variable rate bond, and two (2) issues of commercial paper.

**Figure 4: Proportion of Securities Registered in Fiscal 2014 (by Value)**



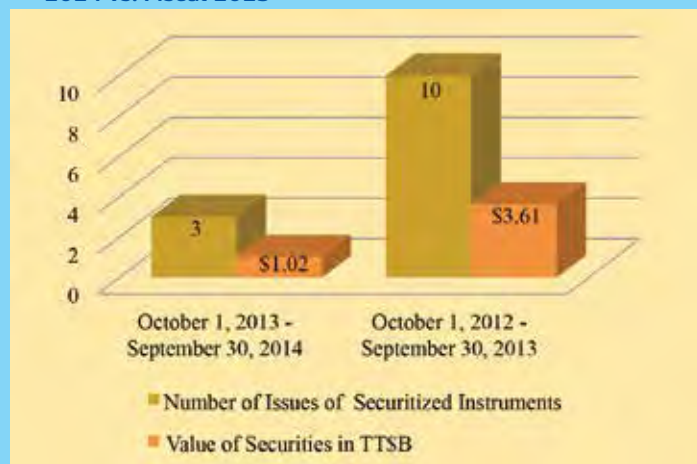
Source: Trinidad and Tobago Securities and Exchange Commission

**Figure 5: Debt Securities Registered in Fiscal 2014 vs. Fiscal 2013**



Source: Trinidad and Tobago Securities and Exchange Commission

**Figure 6: Securitized Instruments Registered in Fiscal 2014 vs. Fiscal 2013**



Source: Trinidad and Tobago Securities and Exchange Commission



Table 5: Equities Registered with the Commission

| October 1, 2013 - September 30, 2014 |                  |                       |                               | October 1, 2012 - September 30, 2013 |                       |                               |
|--------------------------------------|------------------|-----------------------|-------------------------------|--------------------------------------|-----------------------|-------------------------------|
| Classes of Securities                | Number of Issues | Number of shares (Mn) | Value of Securities in TT\$Mn | Number of Issues                     | Number of shares (Mn) | Value of Securities in TT\$Mn |
| ESOPs                                | 25               | 1.350                 | 54.49                         | 18                                   | 0.733                 | 24.51                         |
| Other                                |                  |                       |                               | 1                                    | 251.354               | 5,529.78                      |
| <b>Total</b>                         | <b>25</b>        | <b>1.350</b>          | <b>54.49</b>                  | <b>19</b>                            | <b>252.087</b>        | <b>5,554.29</b>               |

Source: Trinidad and Tobago Securities and Exchange Commission

## Monitoring Market Developments And Behaviour

The Commission's mandates include the protection of investors' interest and the promotion of a fair and efficient securities market; both of which are achieved indirectly through market surveillance activities. These activities include the monitoring of trading for the detection of fraudulent activities, investigating market abuse and illegal trading practices as well as enforcing actions against those who engage in market manipulation.

### Monitoring Trading Activity

#### Trading Reviews

The staff of the Commission initiated four (4) trading inquiries during fiscal 2014. These inquiries centred on "abnormally high" trading volumes, major announcements pertaining to specific issuers and significant price movements which are sometimes indicative of possible trading abuse. The evidence obtained from one (1) of the inquiries resulted in the launch of an investigation by the Commission which was still on-going at the close of fiscal 2014. However, the other three (3) inquiries yielded no evidence that warranted further investigation and were therefore closed.

#### Reports on Trading by connected persons

In an attempt to foster a greater level of confidence in the securities market, more focus was placed on detecting trading activity in securities by connected persons and ensuring that there was compliance

with Section 136 of the SA 2012. Persons who are deemed to be connected to reporting issuers and are conducting transactions in securities related to the reporting issuers, are required to report on their ownership and transactions to the Commission<sup>5</sup>.

#### Investor Complaints

The Commission received fourteen (14) complaints during the fiscal year 2014; ten (10) more than the total received in the previous fiscal year (see Table 6). The complaints covered a range of issues, including allegations of:

- Unauthorised solicitation of business of a securities nature;
- The inability to recover investment funds from unregistered entities;
- Insufficient and tardy disclosure of information by a reporting issuer;
- Excessive fees being charged by registrants;
- The existence of pyramid schemes;
- The inability to tender share certificates with respect to a defunct reporting issuer; and
- Misrepresentations being made by a broker-dealer.

After analysing the complaints, it was found that four (4) did not fall within the remit of the Commission; three (3) of which were forwarded to the Trinidad and Tobago Police Service's Fraud Squad Department on behalf of the complainants. In the fourth matter, the complainant was advised accordingly.

Of the remaining ten (10) complaints, the majority was either resolved or closed, having been deemed unsubstantiated following reviews conducted by staff. At the close of the fiscal period, two (2) of the complaints received, within the period, were still engaging the attention of staff.

Additionally, three (3) complaints, which were brought forward from the previous fiscal year, were reviewed and closed.

<sup>5</sup> Section 4(3)(a)-(c) of the SA 2012 refers.

**Table 6: Comparative Table - Investor Complaints Addressed by the Commission during period October 1, 2013 – September 30, 2014**

| Fiscal Year Ended | Total complaints brought forward | Total complaints received | Referred | Resolved/ closed | Investigation | Outstanding |
|-------------------|----------------------------------|---------------------------|----------|------------------|---------------|-------------|
| 2014              | 3                                | 14                        | 3        | 12               | 0             | 2           |
| 2013              | 9                                | 4                         | 0        | 8                | 3             | 3           |

Source: Trinidad and Tobago Securities and Exchange Commission

#### Material Change Surveillance

The Commission noted a greater level of compliance by its reporting issuers for fiscal 2014 with regard to material change disclosure obligations. Of the 149 material change developments detected and reviewed

during the period, seventeen (17) were referred for enforcement consideration. The remaining developments have been fully disclosed in compliance with the obligations applicable under Section 64(1) of the Act. [Table 7](#) provides a yearly comparison of the number of material change matters detected.

**Table 7: Comparative Table - Material Change Observations during the period October 1, 2012 – September 30, 2014**

| Year | Total | Referred for enforcement | To be referred for enforcement | Closed | Assessment pending |
|------|-------|--------------------------|--------------------------------|--------|--------------------|
| 2014 | 149   | 17                       | 9                              | 121    | 2                  |
| 2013 | 53    | 2                        | 0                              | 27     | 24                 |

Source: Trinidad and Tobago Securities and Exchange Commission

During fiscal 2014, the Commission began posting to its website, Material Change reports filed by reporting issuers. This was done in accordance with Section 33(3) of the SA 2012.

## Trinidad and Tobago Stock Exchange Limited Applications

#### De-listing Applications

The Commission considered and approved four (4) applications for the de-listing of securities from the Official List<sup>6</sup> of the Trinidad and Tobago Stock Exchange Limited ("TTSE"), as follows:

1. The TT\$250 Million Government of Trinidad and Tobago 10-year 9.90 percent Fixed Rate Bond Due 2013;
2. The 103,642,984 ordinary shares of BCB Holdings Limited;
3. The 55,817,101 units of Fortress Caribbean Property Fund Limited; and

4. The TT\$1,017.978 Million Government of Trinidad and Tobago 7-year 8.00 percent Fixed Rate Bond Due 2014.

The applications for the de-listing of the securities listed at items 1 through 3 were submitted in the previous fiscal period and approved in fiscal 2014. In approving the de-listings, the Commission ensured that the rights of investors were not compromised.

#### Rule Amendment

The staff of the Commission also considered a proposal submitted by the TTSE to amend one (1) of its Rules of Governance, in accordance with Section 40 of the SA 2012. According to the Statement of Substance and Purpose filed with the Commission, the TTSE proposes to amend its existing Rule 105 which stipulates the minimum capital to be maintained by its member firms. The new rule proposes to change the static net worth methodology to a risk weighted approach for calculating capital. In that regard, the staff assessed TTSE's submission and provided feedback which was still receiving the attention of the TTSE at the close of the period. It is anticipated that a revised proposal will be submitted in fiscal 2015.

<sup>6</sup> A list prepared and published by the TTSE in accordance with its Rules of Governance and Regulations.



“ The investigation and initiation of civil and/or criminal action, against registrants or any person in relation to the contravention of the SA 2012, is critical to the fulfilment of the Commission’s mandate to protect the integrity and ensure orderly growth and development of the local securities industry. ”

## Compliance Reviews and Inspections

The Commission formally established the Compliance and Inspections Division (“the Division”) on January 9, 2014. This Division is empowered by the SA 2012 to conduct compliance reviews for the purpose of assessing compliance with legislation<sup>7</sup> and any risk in respect of a registrant or SRO that can prejudice its financial viability or the interests of its stakeholders.

### Compliance Reviews

The Division benefitted from the experience of two (2) Senior Examiners on secondment from the CBT who undertook the Commission’s first inspection in fiscal 2013. A risk-based approach is utilised to determine the Commission’s schedule for inspections. This approach enables the staff of the Commission to identify the major risks associated with registrants. Five (5) compliance inspections were conducted during the period under review.

### Major Findings from Inspections

The findings of the compliance reviews highlighted the following areas of concern:

- i. Commingling of Client Funds;
- ii. Anti-Money Laundering/Combatting of the Financing of Terrorism (“AML/CFT”);
- iii. Corporate Governance; and
- iv. Financial Risk.

These findings deepened the understanding of the challenges and issues faced by registrants as they sought to be in compliance with various aspects of the SA 2012. The risks identified by these reviews, will continue to be assessed and the necessary guidance will be provided to the market to ensure full compliance.

## Enforcement

The investigation and initiation of civil and/or criminal action, against registrants or any person in relation to the contravention of the SA 2012, is critical to the fulfilment of the Commission’s mandate to protect the integrity and ensure orderly growth and development of the local securities industry.

In fiscal 2014, the Commission received fourteen (14) tips/complaints, of which seven (7) were closed with no enforcement action. *Table 8* provides the relevant breakdown of actions taken in relation to these tips/complaints.

At the end of fiscal 2014, there were four (4) investigations engaging the attention of the staff of the Commission. These investigations arose out of allegations of suspected violations of provisions within the SA 2012 relating to the registration and distribution of securities as well as market conduct. An administrative fine was levied against a registrant in accordance with Section 156 of the SA 2012. In recognising the need for adjusting to new and enhanced responsibilities under the SA 2012, a more informative and collaborative approach was adopted towards registrants.

Staff continued to monitor two (2) matters in which High Court action was instituted by the Commission. In both matters, receivers/liquidators were appointed by the High Court for the purpose of disgorgement of profits obtained by the defendants and to ensure the restitution of funds to the affected investors. The Commission continued to provide updates to the affected investors and will publish the final outcome in accordance with the Order of the Court.

**Table 8: Tips/Complaints received by the Commission**

| Year | Total | Closed | Referred to Fraud Squad | Ongoing <sup>8</sup> |
|------|-------|--------|-------------------------|----------------------|
| 2014 | 14    | 7      | 3                       | 4                    |

*Source: Trinidad and Tobago Securities and Exchange Commission*

<sup>7</sup> As detailed in Section 89 (1) (a) of the SA 2012

<sup>8</sup> Two (2) of these investigations were pursuant to Section 150 of the SA 2012

## Collaborative Initiatives

An important aspect of the Commission's mandate is to foster the development of the securities industry. One of the ways in which this is achieved is through collaboration with stakeholders. The Commission facilitated open and continuous dialogue with its stakeholders to provide greater clarity on legislative requirements and developments.

The Commission also dispatched circular letters, published articles in its quarterly communiqué and held outreach sessions with stakeholders regarding legislative and regulatory developments such as:

- The obligations applicable to registrants in respect of the Foreign Account Tax Compliance Act ("FATCA");
- Legislative amendments to the definition of and disclosure requirements applicable to material changes which occur within the affairs of a reporting issuer;
- Compliance with AML/CFT laws and regulations;
- Solicitations of expressions of interest for unregistered offerings;
- On-site inspections and investigations by the Commission; and
- Legislative amendments to the registration requirements.

## Electronic Communication Portals

Staff routinely provides clarification and advice to reporting issuers with respect to determining the materiality of developments within their business affairs. Feedback is also provided on the design of their material change disclosure publications. This is communicated via the Commission's email portal: [materialchanges@ttsec.org.tt](mailto:materialchanges@ttsec.org.tt).

In addition to detecting and initiating proceedings for breaches of the securities law, the Commission continued to adopt a consultative and facilitative approach toward fostering greater levels of compliance with the evolving securities legislation. Further, in order to improve our responsiveness to addressing regulatory queries from the public, we have developed and actively monitored the following electronic communication portals on:

- The Securities Act ([sa2012@ttsec.org.tt](mailto:sa2012@ttsec.org.tt));
- Repurchase agreement guidelines ([reposmail@ttsec.org.tt](mailto:reposmail@ttsec.org.tt)); and
- AML/CFT ([aml@ttsec.org.tt](mailto:aml@ttsec.org.tt)).

## Market Outreach Sessions

The Commission also hosted an outreach session in April 2014, where reporting issuers were given the opportunity to voice concerns and seek clarification on the concept of materiality and its concomitant disclosure requirements. Moving forward, we expect to continue to host similar sessions in an effort to solicit feedback from market actors which will feed into the Commission's policy initiatives.

## Information Sharing And Cooperation

In fiscal 2014, the Commission exercised its authority under Section 19 of the SA 2012 to cooperate with, provide information to and receive information from SROs as well as local and foreign entities.

During this period, the Commission formalised a number of MoUs with fellow regulators. On January 6 2014, an MoU with the CBTT was formalised. This agreement represents a common understanding by the two (2) authorities about how they will consult, cooperate, and exchange information for regulatory enforcement purposes.

On January 8 2014, a Protocol between the Commission and the SDATT was signed and on April 9 2014, a Multilateral Memorandum of Understanding for the Exchange of Information and Cooperation and Consultation with the Caribbean Group of Securities Regulators ("CGSR") came into force. This agreement aims to facilitate mutual cooperation in the conduct of the regulatory and supervisory functions under the relevant securities laws, regulations and rules in the respective jurisdictions, including specific initiatives, between jurisdictions that will require such cooperation and collaboration.

## Developing And Delivering Programmes of Investor Education

The Commission remains committed to promoting an understanding of the securities industry and the benefits, risks and liabilities associated with investing in securities among the citizenry. During the period 2013-2014, a mix of traditional, modern and digital approaches was utilised to educate and empower both existing and potential investors. These included:

### Digital Media - Webinars, Facebook, YouTube

The Commission hosted two (2) web-based seminars which focused on "Types of Investment Products" and "Avoiding Investment Scams". The Commission also continued to enhance its investor education initiatives via the social media platforms (Facebook and YouTube).



## Competitions – Top Trader Investment Game (“TTIG”)

In January 2014, the Commission launched its first TTIG for citizens over the age of 18 years. This online game was designed to help participants understand the basics of investing in the local securities industry and to encourage them to build and manage an investment portfolio by evaluating stocks, managing risks and practising other investment fundamentals. Overall, there were 5,525 virtual transactions valued at \$17,624,913.11.

## Print Media – Newspapers and Brochures

The Commission continued to make full use of the print media by placing twelve (12) advertisements under the theme of “Investing for Life Stages: Useful Financial Tips to guide You at every stage of life” in the three (3) daily newspapers. Financial/investment tips were also placed in other local publications such as CONTACT, Business T&T, TTARP’s 050Q, Diabetes Association of Trinidad and Tobago magazine, Catholic News, InvesTT and the Guardian’s Special Retirement supplement.

An article highlighting the role of women as investors and ads in commemoration of International Women’s Day and International Day of Families 2014 were published in two (2) of the daily newspapers.

The Commission also produced several new brochures which covered areas such as “Saving and Investing for Youth”, “A Woman’s Guide to Investment”, “Know Your Investor Rights and Responsibilities”, “Easy Ways to Spot Financial Fraud”, “Are You Too Young to Plan for Your Retirement” and “Preparing Financially for Retirement – With Seniors in Mind”.

## Electronic Media - TV/Radio and Website

The Commission continued to utilise the electronic media to educate and inform the investing public. Four (4) Investment Scams TV ads were aired and ads providing tips on financial planning and safeguarding against scams were aired on several radio frequencies.

During the period under review, changes were made to the Commission’s website to highlight and provide information created solely for the education and empowerment of the investor. The Commission also initiated the development of a niche site specifically

for the investor education programme. This new site will focus on all investor education content and will include more audio, video and digital content.

## Public Engagement and Outreach

The Commission conducted investor education sessions for several organisations. These sessions gave the Commission the opportunity to provide information on the types of investment instruments, savings vs. investing, rights and responsibilities of investors and ways to safeguard against fraudulent investment schemes. At the end of the fiscal period, plans were underway for the Commission’s first Regional Investor Education Session which was scheduled to be conducted in San Fernando in October 2014.

## Corporate Identity

The Commission is cognizant of the importance of enhancing its corporate identity and undertook the following initiatives to strengthen its corporate profile:

- Maintaining an active presence in the print media through the placement of ads to highlight some of its functions and responsibilities as well as to commemorate national holidays;
- Creation and publication of “Who We Are, What We Do”, a new corporate brochure, which provided information on the Commission, its governing legislation, roles and functions and organisational structure;
- Publication of three (3) issues of its external communiqué; one of the main channels of communication between the Commission and its stakeholders;
- Continuous engagement of the media through the dispatch of media releases, statements and the facilitation of media requests for information which received coverage from local, regional and international media outlets;
- Development of new material to encourage brand recognition; and
- Commencement of the redesign of the corporate website.

## Information Management

### Technological Developments

The Commission continued to expand its ICT infrastructure in order to further facilitate the Commission’s growth. The enhancement of the internal and external communication strategies as well as the acquisition of value-producing technologies and information systems, further bolstered operational efficiency and effectiveness within the Commission. These technologies augmented the existing automation and collaboration systems, thereby streamlining the efficient flow of information within the Commission.

The hardening and modernisation of the Commission's technological infrastructure, the extension of the network architecture to a wide area network ("WAN") topology and the fortification of the Commission's disaster recovery strategy further led to productivity enhancements.

As initiated in fiscal 2013, increased interactivity with market participants, by way of the Commission's website, was further enhanced to encapsulate online submissions.

## Information Resources Management

The Commission's Library supports the work of the Commission by acquiring, organising and providing access to pertinent information sources, in a variety of formats.

In fiscal 2014, priority was given to re-conceptualising the Commission's Library in order to enhance the ease of access to content rich, authoritative sources. The transition to digital modes of delivery to facilitate maximum access to content, services and resources was given priority.

To support this, the Library manages several electronic journal/magazine subscriptions and databases, such as EBSCO, Evernote Document Management System 4.6, KnowledgeLeader, Harvard Business Review, Money Laundering Bulletin, Westlaw and West Indian Law Reports.

## Records Management ("RM")

The Commission implemented key initiatives that enhanced its records management framework. These initiatives included:

- A revision of all records management policies and procedures in the Commission; and
- A review of the current electronic records management system.

## Human Resource and Training

The Commission continued its focus on strengthening its human resource capacity through various training and development initiatives as well as promotions and recruitment.

## Staff Complement, Recruitment, Resignations, Promotions

At the end of the fiscal year, there were ninety (90) positions on the organisational structure: sixty-eight (68) permanent positions and twenty-two (22) contractual positions<sup>9</sup>. During the period, the Commission recruited a total of thirty-seven (37) persons with the highest recruitment (13) occurring in the Professional Grouping. Five (5) persons were promoted during the period (*Table 9*).

**Table 9: Promotions of Persons during fiscal 2014**

| From                              | To                                  | Number of Person Promoted |
|-----------------------------------|-------------------------------------|---------------------------|
| Financial Research Officer        | Senior Financial Research Officer   | 2                         |
| Senior Financial Research Officer | Director                            | 1                         |
| Database Analyst                  | Lead, Technician Production Support | 1                         |
| Clerical Assistant                | Financial Research Officer          | 1                         |

*Source: Trinidad and Tobago Securities and Exchange Commission*

There were four (4) resignations during the period. The Commission also recorded its second retirement with the departure of its Lead Technician, Production Support in July 2014.

## Staff Development

The Commission undertook several training initiatives during the period which focused on expanding the knowledge base, skills and efficiencies of its staff members. Staff was exposed to approximately fifty-five (55) domestic training programmes and eight (8) foreign training programmes, some of which included:

- Caribbean Financial Action Task Force ("CFATF") – International Standards in Combating Money Laundering and Terrorist Financing;
- Building an Evaluation Toolkit for Investor Education;
- Strategic Human Resource Workshop;
- Integrated Computing and Outsourcing Network;
- Institute of Chartered Accountants of Trinidad & Tobago ("ICATT") – International Finance and Accounting Conference 2014;
- Improving Instructional Practice in Libraries;
- Procurement and Contract Management for the Public Sector;

<sup>9</sup> There were fourteen (14) vacancies at the end of the fiscal year.

*“ The Sports and Events Committee was re-constituted during the fiscal year to coordinate activities which aim to facilitate the continued development and motivation of members of staff through sporting, cultural and recreational activities. The Committee organised events such as the Commission’s First Annual Children’s Christmas Event, a Carnival Event, a Games Evening and an after-work Cricket Match. The Committee also assisted in the planning of the Commission’s annual End of Year Staff Luncheon. ”*

- U.S. SEC 24th Annual International Institute for Securities Market Development;
- Crisis Communications;
- Effective Supervision; and
- Basic Writing Skills.

### Internships

The Commission partnered with the National Training Agency and was assigned On-the-Job Trainees during the period July-August 2014. These trainees were assigned to the core Divisions of the Commission and were mentored by experienced members of staff. Outstanding performance during this period has resulted in two (2) of the trainees being offered two (2) year engagements with the Commission.

### Social activities

The Sports and Events Committee was re-constituted during the fiscal year to coordinate activities which aim to facilitate the continued development and motivation of members of staff through sporting, cultural and recreational activities. The Committee organised events such as the Commission’s First Annual Children’s Christmas Event, a Carnival Event, a Games Evening and an after-work Cricket Match. The Committee also assisted in the planning of the Commission’s annual End of Year Staff Luncheon.

### Initiatives in Corporate Social Responsibility

The Commission donated surplus furniture and equipment to several charitable, civic and non-profit organisations which included the Lions Club of Santa Cruz, St. Mary’s Children’s Home, St. Michael’s School for Boys, the Elpis Centre, Society of St. Vincent de Paul, Finbar Ryan Geriatric Home, the Trinidad and Tobago Cancer Society, San Juan/Laventille Police Youth Club, St. Barb’s Community Workers, Women’s Institute for Alternative Development, East Port of Spain Council of Community Organisations and the King of Kings Life Centre.



Maracus Bay, Trinidad



# Staff of the Commission

## COMPLIANCE & INSPECTIONS

### Left to right:

Aalia Mohammed,  
Jonathan Evelyn,  
Craig Cumberbatch,  
LaToya Boyea,  
Rosalind King,  
(*Director Compliance  
& Inspections*)  
Sheena Parkinson

### Absent:

Salisha Ali



## CORPORATE COMMUNICATIONS EDUCATION & INFORMATION

### Left to right:

Arlene Stephen  
(*Director corporate  
Communications,  
Education and  
Information*),  
Dike Noel, Rachael  
Codrington-Indar,  
Rachael Rampersad





**CORPORATE SERVICES****Back Row Left to right:**

Kane De Matas,  
Mariella  
Woodruffe-Charles,  
Kester Joseph,  
Tayeb Bostic,  
Arlene Francis,  
Patrice Griffith,  
Kester Craig

**Front Row Left to right:**

Sparkle Ferreira,  
Cylette Thomas,  
Hanna-Leah London,  
Hazel Ramsingh-Persad  
(*Director Corporate  
Services*),  
Nikita Deobhagan,  
Carissa Carr,  
Karlene Alibey  
Mohammed

**Absent:**

Frank Isaac

**DISCLOSURE,  
REGISTRATION &  
CORPORATE FINANCE****Back row left to right:**

Michelle Rojas-Britto,  
Kyle Delgado,  
Deniece Esdelle,  
Chandradath Maharaj  
(*Director Disclosure,  
Registration & Corporate  
Finance*)  
Gregory Joseph,  
Abigail Baird,  
Beverly Bharath,

**Seated left to right:**

Maegan Marquez,  
Cristal McIntosh,  
Reshma Gupta,

**Absent:** Gerard Pierre,  
Giselle Bartholomew,  
Kevin Deopersad,  
Suresh Gobin,  
Tessa Farrier-Pierre





### HUMAN RESOURCE MANAGEMENT

Left to right:

Joan Biroo-Wellington,  
Francisca  
Ambrose-Grant  
(*HR Manager*),  
Ria Badree, Aaron Cox,  
Peaches Julien Hypolite,  
Charissa George



### EXECUTIVE SUPPORT

Left to right:

Tricia Diamond,  
Chemika Ellis,  
Carol Huggins-Lewis





### INFORMATION MANAGEMENT

**Left to right:**

Randy Regis,  
Anika Noel,  
Adrian Pennie,  
Curlene James,  
(*Officer in Charge*)  
Kevon Bailey

**Absent:**

Timothy Mar



### LEGAL ADVISORY & ENFORCEMENT,

**Left to right:**

Tenille Babb,  
Trevor Mendez,  
Raphael Romany,  
(*Director Legal Advisory  
& Enforcement*),  
Brian Peters,  
Leslie-Ann Browne,

**Absent:**

Anderson Sooparlle,  
Ava Solomon,  
Daniella O'Connor,  
Glenis Potts,  
Rhonda  
Simmons-Doyle,  
Shenda Murray



## POLICY RESEARCH & PLANNING

### Left to right:

Kimberly Jeffers,  
Ronald Phillip  
(*Director Policy,  
Research & Planning*),  
Kavena Ramsoobhag,  
John Cozier,  
Anira Abraham

### Absent:

Susan Alfonso



## MANAGEMENT

### Back Row Left to Right:

Francisca Ambrose-Grant  
(*Human Resource Manager*),  
Kevin Padmore (*Internal Audit Manager*),  
Ayoub Barcoo (*Director, Market  
Regulation and Surveillance*),  
Raphael Romany  
(*Director Legal Advisory and Enforcement*),  
Hazel Ramsingh-Persad (*Director  
Corporate Services*),  
Rachel Simms-Sealy (*General Counsel*)

### Front Row Left to Right:

Rosalind King (*Director Compliance  
and Inspections*),  
Ronald Phillip (*Director Policy,  
Research and Planning*),  
Lystra Lucillio  
(*Deputy Chief Executive Officer*),  
C. Wainwright Iton  
(*Chief Executive Officer*),  
Arlene Stephen (*Director Corporate  
Communications, Education and  
Information*),  
Chandradath Maharaj (*Director  
Disclosure, Registration and Corporate  
Finance*)





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# Appendices

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**TABLE A1: REGISTERED REPRESENTATIVES (AS AT SEPTEMBER 30, 2014)**

|            | <b>Name of Registered Representative</b> | <b>Associated Broker-Dealer</b>                               | <b>Type of Registered Representative</b>   |
|------------|--|---|--|
| <b>1.</b>  | Agostini, Chantal                        | First Citizens Brokerage and Advisory Services Limited        | Trader                                     |
| <b>2.</b>  | Alexander, Liesel                        | KCL Capital Market Brokers Limited                            | Broker                                     |
| <b>3.</b>  | Ali, Salma                               | West Indies Stockbrokers Limited                              | Broker                                     |
| <b>4.</b>  | Alleyne, Harold                          | Caribbean Stockbrokers Limited                                | Broker                                     |
| <b>5.</b>  | Awai, Gary*                              | Intercommercial Bank Limited                                  | Broker in GOTT Bonds                       |
| <b>6.</b>  | Basdeo, Anderson*                        | Citicorp Merchant Bank Limited                                | Trader in GOTT Bonds                       |
| <b>7.</b>  | Baird, Dwane                             | Viola Asset Management Limited                                | Investment Adviser                         |
| <b>8.</b>  | Basdeo, Roshan                           | West Indies Stockbrokers Limited                              | Trader                                     |
| <b>9.</b>  | Bridgewater, Joanne                      | Republic Securities Limited                                   | Broker                                     |
| <b>10.</b> | Chen, Nancy                              | West Indies Stockbrokers Limited                              | Trader                                     |
| <b>11.</b> | Chin, Ian*                               | Ansa Merchant Bank Limited                                    | Broker in GOTT Bonds                       |
| <b>12.</b> | Coonai, Ryan                             | Bourse Brokers Limited  | Trader                                     |
| <b>13.</b> | Crooks, Victoria                         | Sheppard Securities Limited                                   | Trader                                     |
| <b>14.</b> | Darbasie, Karen*                         | Citicorp Merchant Bank Limited                                | Broker in GOTT Bonds                       |
| <b>15.</b> | Edwards, Donald                          | GraceKennedy (Trinidad and Tobago) Limited                    | Dealer, Investment Adviser and Underwriter |
| <b>16.</b> | Eve, Patricia                            | Republic Securities Limited                                   | Trader                                     |
| <b>17.</b> | Fadahunsi, Lai                           | AIC Securities Limited  | Broker                                     |
| <b>18.</b> | Gajadhar, Kerry                          | Caribbean Stockbrokers Limited                                | Trader                                     |
| <b>19.</b> | Gatt Junior, Gordon                      | Sheppard Securities Limited                                   | Trader                                     |
| <b>20.</b> | Ghany, Rianna Sarah*                     | First Citizens Bank Limited                                   | Trader in GOTT Bonds                       |
| <b>21.</b> | Gosein, Godfrey                          | Republic Securities Limited                                   | Broker                                     |
| <b>22.</b> | Hepburn, Karrian                         | Scotia Investments Trinidad and Tobago Limited                | Broker                                     |
| <b>23.</b> | Hinkson, Duane                           | FirstCaribbean International Bank (Trinidad & Tobago) Limited | Investment Adviser and Underwriter         |
| <b>24.</b> | Ho Sing Loy, Ameen*                      | RBC Merchant Bank (Caribbean) Limited                         | Broker in GOTT Bonds                       |
| <b>25.</b> | Inniss-Bernard, Judy                     | Republic Securities Limited                                   | Trader                                     |
| <b>26.</b> | Johnson, Alvin                           | Caribbean Stockbrokers Limited                                | Broker                                     |
| <b>27.</b> | Julien, Jason                            | First Citizens Investment Services Limited                    | Trader                                     |
| <b>28.</b> | Leggard, Kaffi                           | Sheppard Securities Limited                                   | Trader                                     |
| <b>29.</b> | Leons, Keron                             | First Citizens Investment Services Limited                    | Trader                                     |
| <b>30.</b> | Kerr, Janella                            | FirstCaribbean International Bank (Trinidad & Tobago) Limited | Dealer, Investment Adviser                 |
| <b>31.</b> | Mahabirsingh, Sherma                     | First Citizens Investment Services Limited                    | Trader                                     |



**TABLE A1: REGISTERED REPRESENTATIVES (AS AT SEPTEMBER 30, 2014)**

|     | <b>Name of Registered Representative</b> | <b>Associated Broker-Dealer</b>                               | <b>Type of Registered Representative</b>   |
|-----|--|---|--|
| 32. | Manmohan, Adrian                         | West Indies Stockbrokers Limited                              | Broker                                     |
| 33. | Marcus, Kriss                            | FirstCaribbean International Bank (Trinidad & Tobago) Limited | Dealer, Investment Adviser and Underwriter |
| 34. | Martineau, Dan*                          | Trinidad and Tobago Unit Trust Corporation                    | Broker in GOTT Bonds                       |
| 35. | Mitchell, Eva                            | Scotia Investments (Trinidad and Tobago) Limited              | Trader                                     |
| 36. | Mohammed, Shaun                          | Bourse Brokers Limited  | Trader                                     |
| 37. | Mullings, Donovan                        | Bourse Brokers Limited  | Broker                                     |
| 38. | Murray, Scott                            | Sheppard Securities Limited                                   | Trader                                     |
| 39. | O'Brien, Anna*                           | First Citizens Bank Limited                                   | Trader in GOTT Bonds                       |
| 40. | Pereira, Marc                            | Sheppard Securities Limited                                   | Trader                                     |
| 41. | Ramkhelawan, Sarodh                      | Bourse Securities Limited                                     | Broker                                     |
| 42. | Ramkhelawan, Subhas                      | Bourse Securities Limited                                     | Broker                                     |
| 43. | Ramlogan, Rawle                          | The Home Mortgage Bank  | Dealer and Underwriter                     |
| 44. | Ramnath-Singh, Gail                      | Caribbean Stockbrokers Limited                                | Trader                                     |
| 45. | Ramroop, Diana                           | First Citizens Brokerage and Advisory Services Limited        | Trader                                     |
| 46. | Ramsaran, Anrika                         | Bourse Securities Limited                                     | Trader                                     |
| 47. | Roberts, Steve                           | Republic Wealth Management Limited                            | Investment Adviser                         |
| 48. | Sabga, Nigel A                           | Ansa Merchant Bank Limited                                    | Trader                                     |
| 49. | Salloum, Christiane                      | Sheppard Securities Limited                                   | Trader                                     |
| 50. | Salvary, Brent                           | KSBM Asset Management Limited                                 | Broker                                     |
| 51. | Savary, Hilary                           | AIC Securities Limited  | Trader                                     |
| 52. | Sheppard, Alan                           | Sheppard Securities Limited                                   | Trader                                     |
| 53. | Sheppard, George                         | Sheppard Securities Limited                                   | Broker                                     |
| 54. | Singh, Mark                              | JMMB Investments (Trinidad and Tobago) Limited                | Trader                                     |
| 55. | Sookhoo, Anganie                         | RBC Merchant Bank (Caribbean) Limited                         | Trader                                     |
| 56. | St. Louis, Leslie                        | First Citizens Brokerage and Advisory Services Limited        | Broker                                     |
| 57. | Stephens, Gerard*                        | Ansa Merchant Bank Limited                                    | Trader in GOTT Bonds                       |
| 58. | Syne, Sascha                             | First Citizens Investment Services Limited                    | Broker                                     |
| 59. | Tang Nian, Stephen                       | RBC Merchant Bank (Caribbean) Limited                         | Broker                                     |
| 60. | Thomas, Rowland                          | Guardian Asset Management                                     | Broker                                     |
| 61. | Thompson, Leah                           | Sheppard Securities Limited                                   | Trader                                     |



**TABLE A1: REGISTERED REPRESENTATIVES (AS AT SEPTEMBER 30, 2014)**

|            | Name of Registered Representative | Associated Broker-Dealer    | Type of Registered Representative |
|------------|-----------------------------------|-----------------------------|-----------------------------------|
| <b>62.</b> | Vieira, Lisa Ann                  | AIC Securities Limited      | Trader                            |
| <b>63.</b> | Wallace, Chivonne*                | First Citizens Bank Limited | Trader in GOTT Bonds              |
| <b>64.</b> | Wells-Fraser, Bernadette          | AIC Securities Limited      | Trader                            |

\* Persons who are Registered Representatives but who are limited to conducting business as Registered Representatives in Government of Trinidad and Tobago Bonds ("GOTT Bonds");

**TABLE A2: INVESTMENT ADVISERS (AS AT SEPTEMBER 30, 2014)**

|            |   |
|------------|---|
| <b>1.</b>  | Bharath, Adrian                               |
| <b>2.</b>  | Burris, Stephen                               |
| <b>3.</b>  | Clewett, Nigel                                |
| <b>4.</b>  | FCL Financial Limited                         |
| <b>5.</b>  | Funds International Limited                   |
| <b>6.</b>  | Global Financial Brokers Limited              |
| <b>7.</b>  | Goolcharan, Vishal                            |
| <b>8.</b>  | Guardian Life of the Caribbean Limited        |
| <b>9.</b>  | Husain, Haroon                                |
| <b>10.</b> | Infinity Financial Engineering Limited        |
| <b>11.</b> | Marquis Portfolio Managers Limited            |
| <b>12.</b> | Mondial (Trinidad) Limited                    |
| <b>13.</b> | Quan-Soon, Ian                                |
| <b>14.</b> | RBC Investment Management (Caribbean) Limited |
| <b>15.</b> | Republic Wealth Management Limited            |
| <b>16.</b> | Ruby Wealth Management Limited                |
| <b>17.</b> | Vega Capital Management Limited               |
| <b>18.</b> | Viola Asset Management Limited                |



**TABLE A3: REPORTING ISSUERS (AS AT SEPTEMBER 30, 2014)**

|     |   |
|-----|---|
| 1.  | Add Venture Capital Fund Limited                          |
| 2.  | Agostini's Limited  |
| 3.  | Airports Authority of Trinidad and Tobago                 |
| 4.  | Angostura Holdings Limited                                |
| 5.  | Angostura Limited   |
| 6.  | ANSA McAL Limited   |
| 7.  | Ansa Merchant Bank Limited                                |
| 8.  | BCB Holdings Limited                                      |
| 9.  | Berger Paints Trinidad Limited                            |
| 10. | BWIA West Indies Airways Limited                          |
| 11. | Capital and Credit Financial Group Limited                |
| 12. | Capital and Credit Merchant Bank Limited                  |
| 13. | Caroni (1975) Limited                                     |
| 14. | CIBC Private Client Fund Limited                          |
| 15. | Citibank (Trinidad and Tobago) Limited                    |
| 16. | Citicorp Merchant Bank Limited                            |
| 17. | Development Finance Limited                               |
| 18. | Dynamic Equity Fund II Limited                            |
| 19. | Dynamic Equity Venture Fund Limited                       |
| 20. | Education Facilities Company Limited                      |
| 21. | First Citizens Asset Management Limited                   |
| 22. | First Citizens Bank Limited                               |
| 23. | First Citizens Investment Services Limited                |
| 24. | FirstCaribbean International Bank Limited                 |
| 25. | Flavorite Foods Limited                                   |
| 26. | FNCU Venture Capital Company Limited                      |
| 27. | Fortress Caribbean High Interest Fund Limited             |
| 28. | Fortress Caribbean Property Fund Limited SCC              |
| 29. | Fortress Global Value Fund Limited                        |
| 30. | Fortress Mutual Fund Limited                              |
| 31. | Furness Trinidad Limited                                  |
| 32. | GraceKennedy Limited                                      |
| 33. | Guardian Asset Management and Investment Services Limited |
| 34. | Guardian Holdings Limited                                 |
| 35. | Guardian Media Limited                                    |
| 36. | Intercommercial Bank Limited                              |
| 37. | Jamaica Money Market Brokers Limited                      |
| 38. | Jamaica Select Index Fund Limited                         |



**TABLE A3: REPORTING ISSUERS (AS AT SEPTEMBER 30, 2014)**

|     |   |
|-----|---|
| 39. | L.J. Williams Limited                                       |
| 40. | La Brea Industrial Development Company Limited              |
| 41. | Life Settlements Funds Limited                              |
| 42. | Massy Holdings Limited                                      |
| 43. | Mega Insurance Company Limited                              |
| 44. | Mora Ven Holdings Limited                                   |
| 45. | National Commercial Bank Jamaica Limited                    |
| 46. | National Enterprises Limited                                |
| 47. | National Flour Mills Limited                                |
| 48. | National Infrastructure Development Company Limited         |
| 49. | National Insurance Property Development Company Limited     |
| 50. | National Maintenance Training and Security Company Limited  |
| 51. | Nestle Trinidad and Tobago Limited                          |
| 52. | One Caribbean Media Limited                                 |
| 53. | Point Lisas Industrial Port Development Corporation Limited |
| 54. | Port Authority of Trinidad and Tobago                       |
| 55. | Prestige Holdings Limited                                   |
| 56. | Public Transport Service Corporation                        |
| 57. | RBC Financial (Caribbean) Limited                           |
| 58. | RBC Merchant Bank (Caribbean) Limited                       |
| 59. | RBC Royal Bank (Trinidad & Tobago) Limited                  |
| 60. | RBTT Finance Limited  |
| 61. | Readymix (West Indies) Limited                              |
| 62. | Republic Bank Limited                                       |
| 63. | Republic Finance and Merchant Bank Limited                  |
| 64. | Royal Bank of Canada  |
| 65. | Royal Skandia Life Assurance Limited                        |
| 66. | Sagicor Asset Management (Trinidad and Tobago) Limited      |
| 67. | Sagicor Financial Corporation                               |
| 68. | Sagicor Funds Incorporated                                  |
| 69. | Schroder International Selection Fund - Global Energy       |
| 70. | Scotia Caribbean Income Fund Inc.                           |
| 71. | Scotia Investments (Jamaica) Limited                        |
| 72. | Scotiabank Trinidad & Tobago Limited                        |
| 73. | Scotiabank Trinidad and Tobago Fixed Income Fund Inc.       |
| 74. | Scotiabank Trinidad and Tobago Growth Fund Inc.             |
| 75. | The Sports Company Trinidad and Tobago Limited              |
| 76. | St Christopher Air and Sea Ports Authority                  |



**TABLE A3: REPORTING ISSUERS (AS AT SEPTEMBER 30, 2014)**

|     |   |
|-----|---|
| 77. | St. Kitts Urban Development Corporation Limited                       |
| 78. | Supreme Ventures Limited  |
| 79. | TCL Leasing Limited   |
| 80. | TCL Service Limited   |
| 81. | Telecommunications Services of Trinidad and Tobago Limited            |
| 82. | The Barbados Shipping & Trading Company Limited                       |
| 83. | The Home Mortgage Bank  |
| 84. | The National Football Stadium Company Limited                         |
| 85. | The West Indian Tobacco Company Limited                               |
| 86. | Tourism & Industrial Development Company of Trinidad & Tobago Limited |
| 87. | Trinidad and Tobago Housing Development Corporation                   |
| 88. | Trinidad and Tobago Mortgage Finance Company Limited                  |
| 89. | Trinidad and Tobago Unit Trust Corporation                            |
| 90. | Trinidad Cement Limited   |
| 91. | Trinidad Select Index Fund Limited                                    |
| 92. | TRS St. Lucia Limited   |
| 93. | Unilever Caribbean Limited  |
| 94. | Unit Trust Corporation (Cayman) SPC Limited                           |
| 95. | Urban Development Corporation of Trinidad & Tobago Limited            |
| 96. | VT Umbrella Fund PCC Limited  |
| 97. | Water & Sewerage Authority  |



**TABLE A4: BROKER-DEALERS (AS AT SEPTEMBER 30, 2014)**

|     | <b>Name of Broker-Dealer</b>  | <b>Classes of Business</b>                          |
|-----|---|---|
| 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 <sup>10</sup>                               | 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. | FirstCaribbean International Bank (Trinidad & Tobago) Limited           | Dealer, Investment Adviser, Underwriter             |
| 19. | Firstline Securities Limited  | Dealer, Investment Adviser, Underwriter             |
| 20. | General Finance Corporation Limited                                     | Dealer, Investment Adviser, Underwriter             |
| 21. | GraceKennedy (Trinidad and Tobago) Limited                              | Dealer, Investment Adviser, Underwriter             |
| 22. | Guardian Asset Management and Investment Services Limited <sup>11</sup> | Broker, Dealer, Investment Adviser, Underwriter     |
| 23. | Guardian Asset Management Limited                                       | Broker, Dealer, Investment Adviser, Underwriter     |
| 24. | Intercommercial Bank Limited  | Broker (G), Dealer, Investment Adviser, Underwriter |
| 25. | Intercommercial Trust and Merchant Bank Limited                         | Dealer, Investment Adviser, Underwriter             |
| 26. | JMMB Investments (Trinidad and Tobago) Limited                          | Broker, Dealer, Investment Adviser, Underwriter     |
| 27. | KCL Capital Market Brokers Limited                                      | Broker, Dealer, Investment Adviser, Underwriter     |

<sup>10</sup> First Citizens Bank Limited's ability to conduct brokerage in Government of Trinidad and Tobago bonds was suspended with effect from March 25, 2014.

<sup>11</sup> Guardian Asset Management and Investment Services Limited's ability to conduct business as a broker was suspended with effect from August 1, 2014.



**TABLE A4: BROKER-DEALERS (AS AT SEPTEMBER 30, 2014)**

|     | Name of Broker-Dealer                                      | Classes of Business                                 |
|-----|--|---|
| 28. | KSBM Asset Management Limited                              | Broker, Dealer, Investment Adviser, Underwriter     |
| 29. | Maritime Capital Limited <sup>12</sup>                     | Dealer, Investment Adviser, Underwriter             |
| 30. | Montes, Francisco**  |   |
| 31. | Murphy Clarke Financial Limited                            | Dealer, Investment Adviser, Underwriter             |
| 32. | Padmore, Winston**   |   |
| 33. | RBC Merchant Bank (Caribbean) Limited                      | Broker, Dealer, Underwriter                         |
| 34. | Republic Bank Limited                                      | Dealer, Investment Adviser, Underwriter             |
| 35. | Republic Finance and Merchant Bank Limited                 | Underwriter   |
| 36. | Republic Securities Limited                                | Broker, Investment Adviser                          |
| 37. | Sagicor Asset Management (Trinidad and Tobago) Limited     | Dealer, Investment Adviser, Underwriter             |
| 38. | Sagicor Life Incorporated                                  | Dealer, Investment Adviser, Underwriter             |
| 39. | Scotia Investments (Trinidad and Tobago) Limited           | Broker, Dealer, Investment Adviser, Underwriter     |
| 40. | Scotiabank Trinidad & Tobago Limited                       | Underwriter   |
| 41. | Scotiabank and Merchant Bank (Trinidad and Tobago) Limited | Dealer, Investment Adviser, Underwriter             |
| 42. | Sheppard Securities Limited                                | Broker  |
| 43. | The Home Mortgage Bank                                     | Dealer, Underwriter                                 |
| 44. | Trinidad and Tobago Unit Trust Corporation                 | Broker (G), Dealer, Investment Adviser, Underwriter |
| 45. | West Indies Stockbrokers Limited                           | Broker, Dealer, Investment Adviser, Underwriter     |

\*\* Individuals who were previously registered as independent Brokers in their individual capacities under the Securities Industry Act 1995. Further to section 53(1)(a) of the Securities Act, 2012 (as amended) these individuals are deemed to be Broker-Dealers.

<sup>12</sup> Maritime Capital Limited's ability to conduct business as a broker-dealer was suspended with effect from August 1, 2014.

**TABLE A5: UNDERWRITERS (AS AT SEPTEMBER 30, 2014)**

1. FirstCaribbean International Bank (Bahamas) Limited

**TABLE A6: SELF-REGULATORY ORGANIZATIONS (AS AT SEPTEMBER 30, 2014)**

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, 2013 - September 30, 2014

| Issuer                      | Type | Type of Shares | Description   | No. of Shares | Currency | Price of Share | Value of Shares | Value of Shares in TT\$ | Registration Date |
|-----------------------------|------|----------------|---|---------------|----------|----------------|-----------------|-------------------------|-------------------|
| GraceKennedy Limited        | MSOP | Ordinary       | GraceKennedy Limited 7,224 Ordinary Shares pursuant to its 2003 Managers Stock Option Plan            | 7,224         | JMD*     | \$50.83        | \$367,195.92    | \$20,820.01             | 15-Jan-14         |
| One Caribbean Media Limited | MSOP | Ordinary       | One Caribbean Media Limited 23,335 Ordinary Shares pursuant to its 2006 Managers Share Incentive Plan | 23,335        | TT\$     | \$17.50        | \$408,362.50    | \$408,362.50            | 27-Mar-14         |
| GraceKennedy Limited        | MSOP | Ordinary       | GraceKennedy Limited 10,620 Ordinary Shares pursuant to its 2003 Managers Stock Option Plan           | 10,620        | JMD*     | \$50.83        | \$539,814.60    | \$30,607.49             | 15-May-14         |
| <b>Sub-Total</b>            |      |                |   | <b>41,179</b> |          |                |                 | <b>\$459,790.00</b>     |                   |



TABLE A7: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer                          | Type | Type of Shares | Description  | No. of Shares | Currency | Price of Share        | Value of Shares | Value of Shares in TT\$ | Registration Date |
|---------------------------------|------|----------------|--|---------------|----------|-----------------------|-----------------|-------------------------|-------------------|
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 8,607 Ordinary Shares pursuant to its Executive Share Option Plan      | 8,607         | TT\$     | \$47.45               | \$408,402.15    | \$408,402.15            | 17-Oct-13         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 52,819 Ordinary Shares pursuant to its Executive Share Option Plan     | 52,819        | TT\$     | \$34.90               | \$1,843,383.10  | \$1,843,383.10          | 27-Mar-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 315,737 Ordinary Shares pursuant to its Executive Share Option Plan    | 315,737       | TT\$     | \$34.90               | \$11,019,221.30 | \$11,019,221.30         | 27-Mar-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 171,573 Ordinary Shares pursuant to its Executive Share Option Plan**  | 171,573       | TT\$     | \$34.90 and \$37.03** | \$6,199,675.08  | \$6,199,675.08          | 27-Mar-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 438,451 Ordinary Shares pursuant to its Executive Share Option Plan*** | 438,451       | TT\$     | \$34.90 and \$37.04*  | \$15,815,823.70 | \$15,815,823.70         | 27-Mar-14         |

TABLE A7: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer                          | Type | Type of Shares | Description  | No. of Shares | Currency | Price of Share | Value of Shares | Value of Shares in TT\$ | Registration Date |
|---------------------------------|------|----------------|--|---------------|----------|----------------|-----------------|-------------------------|-------------------|
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 5,765 Ordinary Shares pursuant to its Executive Share Option Plan  | 5,765         | TT\$     | \$58.33        | \$336,272.45    | \$336,272.45            | 15-May-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 46,710 Ordinary Shares pursuant to its Executive Share Option Plan | 46,710        | TT\$     | \$58.33        | \$2,724,594.30  | \$2,724,594.30          | 15-May-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 14,017 Ordinary Shares pursuant to its Executive Share Option Plan | 14,017        | TT\$     | \$58.33        | \$817,611.61    | \$817,611.61            | 2-Jun-14          |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 6,262 Ordinary Shares pursuant to its Executive Share Option Plan  | 6,262         | TT\$     | \$58.33        | \$365,262.46    | \$365,262.46            | 2-Jun-14          |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 32,679 Ordinary Shares pursuant to its Executive Share Option Plan | 32,679        | TT\$     | \$58.33        | \$1,906,166.07  | \$1,906,166.07          | 2-Jun-14          |



TABLE A7: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer                          | Type | Type of Shares | Description  | No. of Shares | Currency | Price of Share | Value of Shares | Value of Shares in TT\$ | Registration Date |
|---------------------------------|------|----------------|--|---------------|----------|----------------|-----------------|-------------------------|-------------------|
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 39,475 Ordinary Shares pursuant to its Executive Share Option Plan | 39,475        | TT\$     | \$58.33        | \$2,302,576.75  | \$2,302,576.75          | 14-Jul-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 31,068 Ordinary Shares pursuant to its Executive Share Option Plan | 31,068        | TT\$     | \$58.33        | \$1,812,196.44  | \$1,812,196.44          | 14-Jul-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 5,718 Ordinary Shares pursuant to its Executive Share Option Plan  | 5,718         | TT\$     | \$58.33        | \$333,530.94    | \$333,530.94            | 14-Jul-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 25,243 Ordinary Shares pursuant to its Executive Share Option Plan | 25,243        | TT\$     | \$58.33        | \$1,472,424.19  | \$1,472,424.19          | 4-Aug-14          |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 4,657 Ordinary Shares pursuant to its Executive Share Option Plan  | 4,657         | TT\$     | \$58.33        | \$271,642.81    | \$271,642.81            | 4-Aug-14          |

TABLE A7: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer                          | Type | Type of Shares | Description  | No. of Shares | Currency | Price of Share | Value of Shares | Value of Shares in TT\$ | Registration Date |
|---------------------------------|------|----------------|--|---------------|----------|----------------|-----------------|-------------------------|-------------------|
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 29,126 Ordinary Shares pursuant to its Executive Share Option Plan | 29,126        | TT\$     | \$58.33        | \$1,698,919.58  | \$1,698,919.58          | 4-Aug-14          |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 4,515 Ordinary Shares pursuant to its Executive Share Option Plan  | 4,515         | TT\$     | \$58.33        | \$263,359.95    | \$263,359.95            | 4-Aug-14          |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 17,655 Ordinary Shares pursuant to its Executive Share Option Plan | 17,655        | TT\$     | \$58.33        | \$1,029,816.15  | \$1,029,816.15          | 28-Aug-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 11,324 Ordinary Shares pursuant to its Executive Share Option Plan | 11,324        | TT\$     | \$58.33        | \$660,528.92    | \$660,528.92            | 28-Aug-14         |
| Neal and Massy Holdings Limited | ESOP | Ordinary       | Neal & Massy Holdings Limited 33,010 Ordinary Shares pursuant to its Executive Share Option Plan | 33,010        | TT\$     | \$58.33        | \$1,925,473.30  | \$1,925,473.30          | 28-Aug-14         |



TABLE A7: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer                          | Type        | Type of Shares | Description   | No. of Shares    | Currency | Price of Share | Value of Shares | Value of Shares In TT\$ | Registration Date |
|---------------------------------|-------------|----------------|---|------------------|----------|----------------|-----------------|-------------------------|-------------------|
| Neal and Massy Holdings Limited | ESOP        | Ordinary       | Neal & Massy Holdings Limited 8,088 Ordinary Shares pursuant to its Executive Share Option Plan | 8,088            | TT\$     | \$58.33        | \$471,773.04    | \$471,773.04            | 28-Aug-14         |
| Neal and Massy Holdings Limited | ESOP        | Ordinary       | Neal & Massy Holdings Limited 6,083 Ordinary Shares pursuant to its Executive Share Option Plan | 6,083            | TT\$     | \$58.33        | \$354,821.39    | \$354,821.39            | 28-Aug-14         |
| <b>Sub-Total</b>                | <b>ESOP</b> |                |   | <b>1,308,582</b> |          |                |                 | <b>\$54,033,475.68</b>  |                   |
| <b>Grand Total</b>              |             |                |   | <b>1,349,761</b> |          |                |                 | <b>\$54,493,265.68</b>  |                   |

\* - JMD dollar values were converted at an Exchange rate of JMD\$1 = TT\$0.0567

\*\* - 72,147 shares were offered at \$34.90 and 99,426 shares were offered at \$37.03

\*\* - 197,197 shares were offered at \$34.90 and 241,260 shares were offered at \$37.03

TABLE A8: DERIVATIVE SECURITIES REGISTERED BY THE COMMISSION: October 1, 2013 - September 30, 2014

| Issuer  | Issue Name   | Issue Type                       | Value TT\$                | Registration Date |
|---|--|----------------------------------|---------------------------|-------------------|
| <b>Ansa Merchant Bank Limited</b>                     | ANSA Merchant Bank Limited<br>TT\$660,836,718.75 (Face<br>Value) Certificates of<br>Participation in the Sports<br>Company of Trinidad and<br>Tobago TT\$495,937,500.00<br>Fixed Rate Bond due 2030  | Certificates of<br>Participation | \$660,836,718.75          | 14-Oct-13         |
| <b>First Citizens Investment<br/>Services Limited</b> | First Citizens Investment<br>Services Limited<br>TT\$164,043,835.62 (Face<br>Value) Certificates of<br>Participation in TT\$100 Million<br>of National Insurance Property<br>Development Company Limited<br>TT\$1 Billion 4% Fixed Rate Bond<br>due 2029 | Certificates of<br>Participation | \$164,043,835.62          | 16-Jun-14         |
| <b>First Citizens Investment<br/>Services Limited</b> | First Citizens Investment<br>Services Limited<br>TT\$194,747,178.08 (Face<br>Value) Certificates of<br>Participation in TT\$160 Million<br>First Citizens Bank Limited<br>TT\$500 Million Term Notes   | Certificates of<br>Participation | \$194,747,178.08          | 17-Jul-14         |
| <b>Grand Total</b>                                    |  |                                  | <b>\$1,019,627,732.45</b> |                   |



TABLE A9: FIXED INCOME SECURITIES REGISTERED BY THE COMMISSION; October 1, 2013 – September 30, 2014

| Issuer  | Type of Security   | Description   | Currency | Value              | Value in TT\$      | Registration Date |
|---|--------------------|---|----------|--------------------|--------------------|-------------------|
| National Insurance Property Development Company Limited | Fixed Rate Bond    | National Insurance Property Development Company Limited TT\$1,000,000 Million 16-year Fixed Rate Bond due 2029    | TT\$     | \$1,000,000,000.00 | \$1,000,000,000.00 | 3-Oct-13          |
| The Sports Company of Trinidad and Tobago Limited       | Fixed Rate Bond    | The Sports Company of Trinidad and Tobago Limited TT\$495,937,500.00 Fixed Rate Bond due 2030                     | TT\$     | \$495,937,500.00   | \$495,937,500.00   | 14-Oct-13         |
| Guardian Holdings Limited                               | Commercial Paper   | Guardian Holdings Limited TT\$450,000,000.00 Fixed Rate Commercial Paper 2014                                     | TT\$     | \$450,000,000.00   | \$450,000,000.00   | 6-Dec-13          |
| Trinidad and Tobago Mortgage Finance Company Limited    | Fixed Rate Bond    | Trinidad and Tobago Mortgage Finance Company Limited TT\$250 Million Mortgage Backed (Fixed Rate) Notes 2013-2023 | TT\$     | \$250,000,000.00   | \$250,000,000.00   | 6-Dec-13          |
| Sagcor Financial Corporation                            | Fixed Rate Notes   | Sagcor Financial Corporation US\$50,000,000 Eighteen (18) Month Short Term Notes due 2015                         | US\$     | \$50,000,000.00    | \$318,665,000.00   | 16-Dec-13         |
| Intercommercial Bank Limited                            | Fixed Rate Bond    | Intercommercial Bank Limited 4.5% TT\$100,000,000 Unsecured Subordinated Debt due 2022                            | TT\$     | \$100,000,000.00   | \$100,000,000.00   | 24-Mar-14         |
| Government of Trinidad and Tobago                       | Fixed Rate Bond    | Government of the Republic of Trinidad and Tobago TT\$1,000 Million 2.20% 7 Year Fixed Rate Bond due 2021         | TT\$     | \$1,000,000,000.00 | \$1,000,000,000.00 | 2-Jun-14          |
| Government of Trinidad and Tobago                       | Floating Rate Bond | Government of the Republic of Trinidad and Tobago US\$52 Million Fixed Rate Short Term Bonds due 2015             | US\$     | \$52,000,000.00    | \$331,411,600.00   | 17-Jun-14         |
| Neal and Massy Holdings Limited                         | Fixed Rate Bond    | Neal and Massy Holdings Limited TT\$1.2 Billion Fixed Rate Bond due 2029  | TT\$     | \$1,200,000,000.00 | \$1,200,000,000.00 | 24-Jun-14         |



TABLE A9: FIXED INCOME SECURITIES REGISTERED BY THE COMMISSION; October 1, 2013 – September 30, 2014

| Issuer   | Type of Security   | Description  | Currency | Value              | Value in TT\$              | Registration Date |
|--|--------------------|--|----------|--------------------|----------------------------|-------------------|
| <b>First Citizens Bank Limited</b>                                 | Fixed Rate Bond    | First Citizens Bank Limited<br>TT\$500,000,000 Term Notes  | TT\$     | \$500,000,000.00   | \$500,000,000.00           | 17-Jul-14         |
| <b>Government of Trinidad and Tobago</b>                           | Fixed Rate Bond    | Government of the Republic of<br>Trinidad and Tobago TT\$2,500<br>Million 2.80% 12 Year Fixed Rate<br>Bond due 2026  | TT\$     | \$2,500,000,000.00 | \$2,500,000,000.00         | 4-Sep-14          |
| <b>Telecommunication s Services of Trinidad and Tobago Limited</b> | Variable Rate Bond | Telecommunications Services of<br>Trinidad and Tobago Series 1<br>TT\$1,500 Million Fixed to<br>Floating Rate Bond due 2024  | TT\$     | \$1,500,000,000.00 | \$1,500,000,000.00         | 4-Sep-14          |
| <b>Telecommunication s Services of Trinidad and Tobago Limited</b> | Fixed Rate Bond    | Telecommunications Services of<br>Trinidad and Tobago Limited<br>Series 2 US\$40 Million 3.10%<br>Fixed Rate Bond due 2019   | US\$     | \$40,000,000.00    | \$254,932,000.00           | 4-Sep-14          |
| <b>The Home Mortgage Bank</b>                                      | Fixed Rate Bond    | The Home Mortgage Bank<br>TT\$250,000,000 Fixed Rate<br>Bonds (80th Issue) -<br>TT\$240,000,000 2.75% taxable<br>6 year Fixed Rate Bond and<br>TT\$10,000,000 2.10% non-<br>taxable 6 year Fixed Rate Bond | TT\$     | \$250,000,000.00   | \$250,000,000.00           | 4-Sep-14          |
| <b>Grand Total</b>   |                    |  |          |                    | <b>\$10,150,946,100.00</b> |                   |

TABLE A10: COLLECTIVE INVESTMENT SCHEMES REGISTERED BY THE COMMISSION; October 1, 2013 - September 30, 2014

| Sponsor/Issuer                                | Currency | Fund Name  | Country             | Registration Date |
|---|----------|--|---------------------|-------------------|
| <b>Scotiabank Trinidad and Tobago Limited</b> | TT\$     | Scotiabank Trinidad and Tobago TT\$<br>Fixed Income Fund | St. Lucia           | 5-Nov-13          |
| <b>Scotiabank Trinidad and Tobago Limited</b> | TT\$     | Scotiabank Trinidad and Tobago TT\$<br>Growth Fund       | St. Lucia           | 5-Nov-13          |
| <b>Bourse Securities Limited</b>              | US\$     | Bourse China Pacific Fund                                | Trinidad and Tobago | 27-Mar-14         |



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## The Trinidad & Tobago Securities and Exchange Commission

### Statement of management's responsibilities

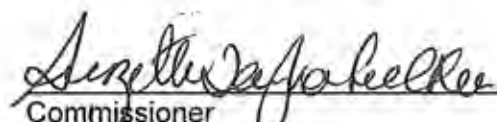
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It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Commission as at the end of the financial year and of the operating results of 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 ("IFRS"). This responsibility includes designing, implementing and maintaining internal controls 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 is 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

December 16, 2014





**Independent auditor's report  
to the members of  
The Trinidad and Tobago Securities & Exchange Commission**

**Deloitte & Touche**  
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Woodbrook, Port of Spain,  
Trinidad, West Indies.  
Tel: +1 868 628 1256  
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Website: [www.deloitte.com](http://www.deloitte.com)

**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 September 30, 2014, 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 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 present fairly, in all material respects, the financial position of The Trinidad and Tobago Securities & Exchange Commission as at September 30, 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche  
Port of Spain  
Trinidad

December 16, 2014

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Member of  
Deloitte Touche Tohmatsu Limited

## The Trinidad & Tobago Securities and Exchange Commission


### Statement of financial position

(Expressed in Trinidad and Tobago dollars)

|  | Notes | As at September 30,<br>2014<br>\$ | 2013<br>\$        |
|--|-------|-----------------------------------|-------------------|
| <b>ASSETS</b>                                    |       |                                   |                   |
| <b>Non-current assets</b>                        |       |                                   |                   |
| Property, plant and equipment                    | 6     | 5,637,905                         | 5,409,871         |
| Prepayments and other receivables                | 7     | 375,605                           | 375,605           |
| <b>Total non-current assets</b>                  |       | <b>6,013,510</b>                  | <b>5,785,476</b>  |
| <b>Current assets</b>                            |       |                                   |                   |
| Cash and cash equivalents                        | 8     | 54,437,432                        | 49,801,373        |
| Prepayments and other receivables                | 7     | 281,826                           | 5,729,091         |
| Taxation recoverable                             |       | 85,589                            | 85,589            |
| <b>Total current assets</b>                      |       | <b>54,804,847</b>                 | <b>55,616,053</b> |
| <b>Total assets</b>                              |       | <b>60,818,357</b>                 | <b>61,401,529</b> |
| <b>ACCUMULATED SURPLUS AND LIABILITIES</b>       |       |                                   |                   |
| <b>Accumulated surplus</b>                       |       | <b>57,319,331</b>                 | <b>58,468,024</b> |
| <b>Non-current liabilities</b>                   |       |                                   |                   |
| Deferred government subvention                   | 9     | --                                | 270,833           |
| <b>Current liabilities</b>                       |       |                                   |                   |
| Deferred government subvention                   | 9     | 270,833                           | 1,625,000         |
| Payables and other accruals                      | 10    | 3,228,193                         | 1,037,672         |
| <b>Total current liabilities</b>                 |       | <b>3,499,026</b>                  | <b>2,662,672</b>  |
| <b>Total liabilities</b>                         |       | <b>3,499,026</b>                  | <b>2,933,505</b>  |
| <b>Total accumulated surplus and liabilities</b> |       | <b>60,818,357</b>                 | <b>61,401,529</b> |

On December 16, 2014, the Board of Commissioners of The Trinidad & Tobago Securities and Exchange Commission authorised these financial statements for issue.

  
Commissioner

  
Commissioner

  
Chairman



## The Trinidad & Tobago Securities and Exchange Commission

### Statement of profit or loss and other comprehensive income

(Expressed in Trinidad and Tobago dollars)

|  | Notes | Year ended September 30,<br>2014<br>\$ | 2013<br>\$          |
|--|-------|--|---------------------|
| <b>Income</b>  |       |  |                     |
| Registration fees                                      |       | 4,256,349                              | 6,332,839           |
| Government subvention                                  | 11    | 34,245,000                             | 33,466,000          |
| Interest   |       | 97                                     | 1,131               |
| Other income   |       | (56,382)                               | 86,666              |
|  |       | <u>38,445,064</u>                      | <u>39,886,636</u>   |
| <b>Expenses</b>  |       |  |                     |
| Employee salaries and benefit expense                  | 14    | (18,094,428)                           | (16,188,359)        |
| Other operating expenses                               | 12    | (21,485,102)                           | (17,278,684)        |
|  |       | <u>(39,579,530)</u>                    | <u>(33,467,043)</u> |
| <b>(Loss)/surplus before taxation</b>                  |       | (1,134,466)                            | 6,419,593           |
| <b>Taxation</b>  | 13    | (14,227)                               | (17,571)            |
| <b>(Loss)/surplus after taxation</b>                   |       | <u>(1,148,693)</u>                     | <u>6,402,022</u>    |
| <b>Other comprehensive income, net of taxes</b>        |       | <u>--</u>                              | <u>--</u>           |
| <b>Total comprehensive (loss)/surplus for the year</b> |       | <u>(1,148,693)</u>                     | <u>6,402,022</u>    |

The notes on pages 7 to 19 are an integral part of these financial statements.

## The Trinidad & Tobago Securities and Exchange Commission

### Statement of changes in accumulated surplus

(Expressed in Trinidad and Tobago dollars)

|   | Year ended September 30, |                   |
|---|--------------------------|-------------------|
|   | 2014                     | 2013              |
|   | \$                       | \$                |
| Balance at beginning of year                    | 58,468,024               | 52,066,002        |
| Total comprehensive (loss)/surplus for the year | (1,148,693)              | 6,402,022         |
| Balance at end of year                          | <u>57,319,331</u>        | <u>58,468,024</u> |

The notes on pages 7 to 19 are an integral part of these financial statements.



## The Trinidad & Tobago Securities and Exchange Commission

### Statement of cash flows

(Expressed in Trinidad and Tobago dollars)

|   | Notes | Year ended September 30,<br>2014<br>\$ | 2013<br>\$               |
|---|-------|--|--------------------------|
| <b>Operating activities</b>                               |       |  |                          |
| (Loss)/surplus before taxation                            |       | (1,134,466)                            | 6,419,593                |
| Adjustment for:   |       |  |                          |
| Depreciation  |       | 1,549,645                              | 1,634,487                |
| Release of deferred government subvention                 |       | (1,625,000)                            | (1,625,000)              |
|   |       | (1,209,821)                            | 6,429,080                |
| Movements in working capital:                             |       |  |                          |
| Decrease/(increase) in prepayments and other receivables  |       | 5,447,265                              | (2,631,373)              |
| Increase/(decrease) in payables and other accruals        |       | 2,190,521                              | (572,444)                |
| Cash generated from operations                            |       | 6,427,965                              | 3,225,263                |
| Taxes paid  |       | (14,227)                               | (17,571)                 |
| Tax refunds received                                      |       | --                                     | 139                      |
| <b>Net cash generated from operating activities</b>       |       | <u>6,413,738</u>                       | <u>3,207,831</u>         |
| <b>Investing activities</b>                               |       |  |                          |
| Purchase of property, plant and equipment                 |       | (1,780,316)                            | (680,590)                |
| Proceeds from sale of property, plant and equipment       |       | 2,637                                  | --                       |
| <b>Net cash used in investing activities</b>              |       | <u>(1,776,679)</u>                     | <u>(680,590)</u>         |
| <b>Net increase in cash and cash equivalents</b>          |       | 4,636,059                              | 2,527,241                |
| <b>Cash and cash equivalents at beginning of the year</b> |       | <u>49,801,373</u>                      | <u>47,274,132</u>        |
| <b>Cash and cash equivalents at end of the year</b>       | 7     | <u><b>54,437,432</b></u>               | <u><b>49,801,373</b></u> |

The notes on pages 7 to 19 are an integral part of these financial statements.

## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

#### 1. General information

The Trinidad & Tobago Securities and Exchange Commission (the "Commission") is a body corporate and was established by 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 the Government of the Republic of Trinidad and Tobago, the fees earned and any other income earned from operations to be applied in defraying expenditure authorised by the Commission.

#### 2. Adoption of new and revised International Financial Reporting Standards

##### Standards and Interpretations adopted with no effect on financial statements

The Commission has adopted the following new standards and interpretations which had no effect on the financial statements and which were effective for annual periods beginning on or after January 1, 2013.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IAS 27, Consolidated and Separate Financial Statements. Re-issued as IAS 27 *Separate Financial Statements* (as amended in 2011)
- IAS 28, Investments in Associates. Re-issued as IAS 28 *Investments in Associates and Joint Ventures* (as amended in 2011)
- IAS 32, Financial Instruments: Presentation. Amendments to Offsetting financial assets and financial liabilities
- IAS 19R, Employee Benefits. Amended standard resulting from the post-employment benefits and termination benefits project
- IFRS 12, Disclosure in Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IFRS 7 Financial Instruments – Disclosure

##### Standards and Interpretations adopted which impacted the financial statements

The Commission has adopted the following new standards and interpretations which had an effect on the financial statements and which were effective for annual periods beginning on or after January 1, 2013.

- **Amendments to IAS 1, Presentation of Financial Statements. Clarification of the requirements for comparative information**

The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position.

The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. However, if additional comparative information is provided, the information should be presented in accordance with IFRSs, including related note disclosure of comparative information for any additional statements. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements. However, the entity should present related note information for those additional statements.



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

#### 2. Adoption of new and revised International Financial Reporting Standards (continued)

##### Standards and Interpretations adopted which impacted the financial statements (continued)

###### • Amendments to IAS 1, Presentation of Items of Other Comprehensive Income

The Commission has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. The amendments to IAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into the following two categories:

- items that will not be reclassified subsequently to profit or loss (e.g. revaluation surplus on property, plant and equipment under IAS 16 *Property, Plant and Equipment*, and revaluation surplus on intangible assets under IAS 38 *Intangible Assets*); and
- items that may be reclassified subsequently to profit or loss when specific conditions are met (e.g. fair value changes on available-for-sale investments under IAS 39, and fair value changes on hedging instruments in cash flow hedges).

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments require retrospective application.

##### Standards and Interpretations in issue not yet adopted

Below is a list of new and revised standards that are not yet mandatorily effective (but allow early application) for the year ended December 31, 2013:

- IFRS 9 Financial Instruments;
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities;
- Amendments to IFRS 10, 12 and IAS 27 Investment Entities; and
- Amendments to IAS 36 Impairment of assets: Disclosure.

##### **IFRS 9 Financial Instruments (as revised in 2010) (effective for annual periods beginning on or after January 1, 2015)**

IFRS 9 is a new Standard for financial instruments that is ultimately intended to replace IAS 39 in its entirety.

The replacement project consists of the following three phases:

- Phase 1: Classification and measurement of financial assets and financial liabilities;
- Phase 2: Impairment methodology; and
- Phase 3: Hedge accounting.

## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

#### 2. Adoption of new and revised International Financial Reporting Standards (continued)

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

###### **Phase 1: Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains new requirements for the classification and measurement of financial assets. Under IFRS 9, all recognised financial assets that are currently within the scope of IAS 39 Financial Instruments: *Recognition and Measurement* will be subsequently measured at either amortised cost or fair value. A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding is generally measured at amortised cost. All other debt instruments must be measured at fair value through profit or loss (FVTPL). A fair value option is available (provided that certain specified conditions are met) as an alternative to amortised cost measurement.

All equity investments within the scope of IAS 39 are to be measured in the statement of financial position at fair value, with the gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at fair value through other comprehensive income (FVTOCI), with only dividend income generally recognised in profit or loss.

Recently, the IASB has re-opened the classification and measurement requirements of financial assets and published an exposure draft in November 2012 proposing limited improvements to IFRS 9. The exposure draft proposes a new category for debt instruments, which is 'fair value through other comprehensive income' when certain criteria are met. At the time of writing of this publication, the IASB has not yet issued the final amendments.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability, which changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

###### **Phase 2: Impairment methodology**

In March 2013, the IASB issued a revised exposure draft that proposes a more forward-looking impairment model that reflects expected credit losses, as compared to the incurred loss model under IAS 39.

###### **Phase 3: Hedge accounting**

The IASB has issued a review draft of the new hedge accounting guidance (that deals with general hedge accounting only). Preparers of financial statements should be aware of the status of the financial instrument projects in considering any potential early application of IFRS 9.



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

#### 2. Adoption of new and revised International Financial Reporting Standards (continued)

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

- **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (Effective for accounting periods beginning on or after January 1, 2014)**

The amendments to IAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Retrospective application is required.

- **Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (Effective for accounting periods beginning on or after January 1, 2014)**

The amendments to IFRS 10 introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with professional investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

In general, the amendments require retrospective application, with specific transitional provisions.

- **IAS 36 Impairment of assets: Disclosure. Amendments enhancing recoverable amounts and disclosures for non - financial assets (annual periods beginning on or after January 1, 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.

Management is currently assessing the potential impact of the adoption of these new standards and interpretations.

## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

### 3. 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.

#### 3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Issues Committee ("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.

#### 3.2 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 profit or loss.

#### 3.3 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 asset's carrying amount is written down immediately to its recoverable amount if the asset's 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.

#### 3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, and deposits held on call with banks, with original maturities of three months or less.



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

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

##### 3.5 Pension

The Commission established a defined contribution plan with effect from 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.

##### 3.6 Taxation

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

###### 3.6.1 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 profit or loss 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.

###### 3.6.2 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.

##### 3.7 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 3.10 for Government subventions.

## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

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

##### 3.8 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.

##### 3.9 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 statement of profit or loss over the period of the lease.

##### 3.10 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 profit or loss 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 profit or loss on a straight-line basis over the expected lives of the related assets.

##### 3.11 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.

##### 3.12 Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

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

In the application of the Commission's accounting policies, which are described in note 3, management of the Commission are required to make judgments, 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.



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

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(Expressed in Trinidad and Tobago dollars)

#### 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### *Contingent liabilities*

Management applies its judgment 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 judgment is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

#### 5. 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 Commission 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.

|                              | <b>Less than<br/>1 year<br/>\$</b> |
|------------------------------|------------------------------------|
| <b>At September 30, 2014</b> |                                    |
| Payables and other accruals  | <u>3,228,193</u>                   |
| <b>At September 30, 2013</b> |                                    |
| Payables and other accruals  | <u>1,037,672</u>                   |

##### 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.

# The Trinidad & Tobago Securities and Exchange Commission

## Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

### 6. Property, plant and equipment

| Cost                            | Leasehold improvements<br>\$ | Office equipment<br>\$ | Computer equipment<br>\$ | Artwork and fixtures and fittings<br>\$ | Motor vehicles<br>\$ | Total<br>\$  |
|---------------------------------|------------------------------|------------------------|--------------------------|---|----------------------|--------------|
| Balance at October 1, 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 September 30, 2013   | 885,845                      | 5,461,183              | 12,020,444               | 368,389                                 | 415,868              | 19,151,729   |
| Disposals                       | --                           | --                     | (2,637)                  | --                                      | --                   | (2,637)      |
| Additions                       | 491,782                      | 286,560                | 729,623                  | 272,351                                 | --                   | 1,780,316    |
| Balance at September 30, 2014   | 1,377,627                    | 5,747,743              | 12,747,430               | 640,740                                 | 415,868              | 20,929,408   |
| <b>Accumulated depreciation</b> |                              |                        |                          |   |                      |              |
| Balance at October 1, 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 September 30, 2013   | (838,228)                    | (4,320,436)            | (8,054,217)              | (191,066)                               | (337,911)            | (13,741,858) |
| Depreciation expense            | (86,683)                     | (322,037)              | (1,090,923)              | (30,513)                                | (19,489)             | (1,549,645)  |
| Balance at September 30, 2014   | (924,911)                    | (4,642,473)            | (9,145,140)              | (221,579)                               | (357,400)            | (15,291,503) |
| <b>Carrying amount</b>          |                              |                        |                          |   |                      |              |
| At October 1, 2013              | 47,617                       | 1,140,747              | 3,966,227                | 177,323                                 | 77,957               | 5,409,871    |
| At September 30, 2014           | 452,716                      | 1,105,270              | 3,602,290                | 419,161                                 | 58,468               | 5,637,905    |



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

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(Expressed in Trinidad and Tobago dollars)

#### 7. Prepayments and other receivables

|   | 2014<br>\$     | 2013<br>\$       |
|---|----------------|------------------|
| <b>Non-current</b>  |                |                  |
| Rental deposit  | 375,605        | 375,605          |
| <b>Current</b>  |                |                  |
| Prepayments   | 281,826        | 428,091          |
| Receivables from the Government of Trinidad and Tobago –<br>Ministry of Finance | --             | 5,301,000        |
|   | 281,826        | 5,729,091        |
|   | <b>657,431</b> | <b>6,104,696</b> |

#### 8. Cash and cash equivalents

|                          | 2014<br>\$        | 2013<br>\$        |
|--------------------------|-------------------|-------------------|
| Cash at bank and on hand | 54,325,878        | 49,689,819        |
| Short-term bank deposits | 111,554           | 111,554           |
|                          | <b>54,437,432</b> | <b>49,801,373</b> |

The effective interest rate on short-term deposits was 0.08% (2013: 0.25%). These deposits have an average maturity of 90 days.

#### 9. Deferred government subvention

|  | 2014<br>\$  | 2013<br>\$     |
|--|-------------|----------------|
| Balance at beginning of year   | 1,895,833   | 3,520,833      |
| Amounts transferred to the statement of profit or loss                         | (1,625,000) | (1,625,000)    |
| Balance at end of year   | 270,833     | 1,895,833      |
| Less: release of deferred government subvention for upcoming<br>financial year | (270,833)   | (1,625,000)    |
|  | <b>--</b>   | <b>270,833</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 amortised by financial year 2015.

#### 10. Payables and other accruals

|   | 2014<br>\$       | 2013<br>\$       |
|---|------------------|------------------|
| Due to the Government of Trinidad and Tobago – Comptroller of<br>Accounts | --               | 6,036            |
| Payables and accrued expenses   | 3,228,193        | 1,031,636        |
|   | <b>3,228,193</b> | <b>1,037,672</b> |

# The Trinidad & Tobago Securities and Exchange Commission

## Notes To The Financial Statements

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(Expressed in Trinidad and Tobago dollars)

### 11. Government subvention

|   | 2014<br>\$        | 2013<br>\$        |
|---|-------------------|-------------------|
| Current year funding                      | 32,620,000        | 31,841,000        |
| Release of deferred government subvention | 1,625,000         | 1,625,000         |
|   | <b>34,245,000</b> | <b>33,466,000</b> |

### 12. Expenses by nature

|  | 2014<br>\$        | 2013<br>\$        |
|--|-------------------|-------------------|
| Rent/property expenses                   | 8,102,231         | 5,795,513         |
| Legal, professional and consultancy fees | 4,437,804         | 1,512,971         |
| Depreciation                             | 1,549,645         | 1,634,487         |
| Computer related expenses                | 1,355,148         | 1,040,951         |
| Training and seminars                    | 1,343,546         | 1,831,804         |
| Public education and advertising         | 992,398           | 1,330,403         |
| Utilities                                | 690,416           | 567,877           |
| Commissioners' fees                      | 589,220           | 543,035           |
| Library and subscription expenses        | 454,821           | 174,791           |
| Other expenses                           | 416,507           | 920,128           |
| Office supplies                          | 390,625           | 300,478           |
| Recruitment                              | 251,487           | 153,601           |
| Telephone                                | 236,662           | 178,896           |
| Other staff expenses                     | 228,287           | 302,579           |
| Insurance                                | 139,815           | 134,041           |
| Printing and reproduction                | 92,917            | 96,126            |
| Conferences and meetings                 | 87,443            | 632,569           |
| Motor Vehicle Maintenance                | 126,130           | 128,434           |
|  | <b>21,485,102</b> | <b>17,278,684</b> |



## The Trinidad & Tobago Securities and Exchange Commission

### Notes To The Financial Statements

September 30, 2014

(Expressed in Trinidad and Tobago dollars)

#### 13. Taxation

|                                | 2014<br>\$    | 2013<br>\$    |
|--------------------------------|---------------|---------------|
| Business levy - current year   | 9,485         | 11,713        |
| Green fund levy - current year | 4,742         | 5,858         |
|                                | <u>14,227</u> | <u>17,571</u> |

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

|   |               |               |
|---|---------------|---------------|
| (Loss)/surplus before taxation                    | (1,134,466)   | 6,419,593     |
| Corporation tax at the statutory rate of 25%      | --            | 1,604,898     |
| Expenses not deductible for tax purposes          | 24,850        | 16,965        |
| Expenses reimbursed by the government subventions | 8,130,150     | 6,338,387     |
| Government subventions not subject to taxation    | (8,155,000)   | (7,960,250)   |
| Business levy                                     | 9,485         | 11,713        |
| Green fund levy                                   | 4,742         | 5,858         |
|   | <u>14,227</u> | <u>17,571</u> |

#### 14. Employee salaries and benefit expense

|   | 2014<br>\$        | 2013<br>\$        |
|---|-------------------|-------------------|
| Salaries, national insurance and other staff expenses | 15,971,587        | 14,857,422        |
| Pension costs   | 1,451,554         | 728,394           |
| Motor vehicle expenses                                | 671,287           | 602,543           |
|   | <u>18,094,428</u> | <u>16,188,359</u> |

#### 15. Capital and operating lease commitments

##### Operating lease commitments

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

|  | 2014<br>\$       | 2013<br>\$        |
|--|------------------|-------------------|
| Not later than 1 year                        | 6,397,369        | 6,397,369         |
| Later than 1 year and not later than 5 years | 1,948,096        | 5,376,238         |
|  | <u>8,345,465</u> | <u>11,773,607</u> |

##### Capital commitments

There are no capital expenditures contracted for at the financial position date (2013: \$Nil).

## The Trinidad & Tobago Securities and Exchange Commission

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#### 16. Financial instruments by category

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

|                                    | 2014<br>\$        | 2013<br>\$        |
|------------------------------------|-------------------|-------------------|
| <u>Loans and receivables</u>       |                   |                   |
| Cash and cash equivalents          | 54,437,432        | 49,801,373        |
| Prepayments and other receivables  | 657,431           | 6,104,696         |
|                                    | <u>55,094,863</u> | <u>55,906,069</u> |
| <u>Other financial liabilities</u> |                   |                   |
| Payables and other accruals        | <u>3,228,193</u>  | <u>1,037,672</u>  |

#### 17. Related party transactions

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

|  | 2014<br>\$        | 2013<br>\$        |
|--|-------------------|-------------------|
| i) Government subvention   | <u>34,245,000</u> | <u>33,466,000</u> |
| ii) Key management compensation  | <u>6,463,838</u>  | <u>5,558,382</u>  |
| iii) Receivable from the Government of Trinidad and Tobago – Ministry of Finance | <u>--</u>         | <u>5,301,000</u>  |
| iv) Payable to the Government of Trinidad and Tobago – Comptroller of Accounts   | <u>--</u>         | <u>6,036</u>      |

#### 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 October 1, 2011 to September 30, 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.









