

**TTSEC PROPOSED AMENDMENTS TO SECURITIES ACT, 2012**

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Clause	Extent of Amendment	
4(1)	<p>“distribution” means a trade—</p> <p><del>(c) by an underwriter, acting as underwriter, in previously issued securities which were purchased from the issuer by such underwriter less than six months prior to such trade;</del></p> <p><b>(c) by an underwriter, acting as underwriter, in previously issued securities where such securities:</b></p> <p style="padding-left: 40px;"><b>(i) were not registered pursuant to this Act; and</b></p> <p style="padding-left: 40px;"><b>(ii) were purchased from the issuer by such underwriter less than six months prior to such trade; or</b></p>	Market
4(1)	<p>“limited offering” means a distribution by a private issuer where—</p> <p style="padding-left: 40px;"><i>(a)</i> following the completion of such distribution, the number of security holders of the issuer is not greater than thirty-five persons exclusive of senior officers and employees or former senior officers and employees of the issuer and its affiliates;</p> <p style="padding-left: 40px;"><b>(b) the constituent documents of the distribution contain provisions restricting the aggregate number of security holder of the issue to thirty-five persons or less; and</b></p> <p style="padding-left: 40px;"><i>(c)</i> no selling or promotional expenses are paid or incurred in connection with the distribution except for professional services or services provided by a registrant</p>	Market

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	under section 51(1),(2), or (5);	
<b>4(1)</b>	<p>“market actor” means-</p> <p>(a) a registrant;</p> <p>(b) a person exempted under this Act from the requirement to be registered;</p> <p>(c) senior officer, or promoter of a reporting issuer;</p> <p>(d) a custodian of assets, shares or units of a collective investment scheme;</p> <p>(e) a self-regulatory organization;</p> <p>(f) a designated rating organization;</p> <p>(g) a transfer agent for securities of a reporting issuer;</p> <p>(h) a registrar for securities of a reporting issuer;</p> <p>(i) the partner of a market actor;</p> <p>(j) a contingency fund required under Part III of this Act;</p> <p>(k) a settlement assurance fund required under Part III of this Act;</p> <p>(l) a securities market;</p> <p>(m) a clearing agency; <del>or</del></p> <p><b>(n) an auditor of a registrant or self-regulatory organization; or</b></p> <p><b>(o) any other person or member of a class of persons prescribed to be a market actor;</b></p>	TTSEC
<b>4(1)</b>	<p>“private issuer” means an issuer—</p> <p>(c) that does not <del>engage in the business of trading in securities or raising</del> <b>distribute securities</b> in the securities market on a frequent basis; and</p>	Market

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<p><b>4(1)</b></p>	<p>“self-regulatory organization” means—</p> <ul style="list-style-type: none"> <li>(a) a clearing agency;</li> <li>(b) securities exchange;</li> <li>(c) an association of market actors registered or required to be registered under this Act; or</li> <li>(d) such other entity, <del>that sets standards for or monitors the conduct of its members or participants relating to, trading in, or advising on securities;</del></li> </ul> <p><b>that sets standards for or monitors the conduct of its members or participants relating to, trading in, or advising on securities;</b></p>	<p>TTSEC</p>
<p><b>6(e)</b></p>	<p>(e) conduct such inspections, <b>reviews</b> 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;</p>	<p>TTSEC</p>
<p><b>7(1)(d)</b></p>	<p>7. (1) For the purpose of the discharge of its functions, the Commission has power to—</p> <ul style="list-style-type: none"> <li>(d) monitor the solvency of registrants <b>that are entities</b>, securities markets and self-regulatory organizations and take measures to protect the interest of investors where the solvency of any such person is in doubt;</li> </ul>	<p>Market</p>

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<p><b>10</b></p>	<p>(1) Subject to subsection (6) the Commission shall consist of no more than nine nor fewer than five individuals (<b>hereafter referred to as Commissioners</b>), including—</p> <ul style="list-style-type: none"> <li>(a) an attorney-at-law of at least ten years standing; and</li> <li>(b) a <del>representative</del> <b>senior officer</b> from the Ministry of Finance.</li> </ul> <p>(2) The President shall appoint all the Commissioners and shall appoint one of their number to be its Chairman <b>and another to be its Deputy Chairman.</b></p> <p>(3) The Commissioners, <del>other than those referred to in subsection (1)(a) and (b)</del>, shall be selected from among persons who have—</p> <ul style="list-style-type: none"> <li>(a) been awarded degrees or professional qualifications; and</li> <li>(b) have a minimum of five years post-graduation experience,</li> </ul> <p>in law, finance, business, economics, accounting, securities, investment or management.</p> <p><del>(3A) The Minister shall appoint a Deputy Chairman.</del></p>	<p>TTSEC</p> <p>Senator Balgobin</p> <p>Senator Drayton</p>
<p><b>11(1)</b></p>	<p>(1) A person shall not be appointed or continue as Commissioner if he—</p> <ul style="list-style-type: none"> <li>(a) is an employee or senior officer of a registrant <b>that is an entity</b> or self-regulatory organization;</li> <li><del>(g) contravenes this Act.</del></li> <li><b>(g) has been a senior officer of a company in</b></li> </ul>	<p>Market</p> <p>Senator Drayton</p>

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	<p>the ten years immediately preceding a winding-up order being made by a court in respect of that company, or the date that the company has been placed in receivership;</p> <p>(h) has been a senior officer of a former registrant or self-regulatory organization whose registration has been revoked, unless such revocation was due to_</p> <p>(i) Its amalgamation with another registered registrant  (ii) Its voluntary winding up</p> <p>(i) contravenes this act.</p>	<p>Senator Drayton</p>
<p><b>11(2)(b)</b></p>	<p>the person has beneficial ownership of, or control or direction over:</p> <p>(i) more than ten per cent of the outstanding equity or voting securities of a registrant <b>registered under 51(1); or</b></p> <p>(ii) <b>five per cent of the outstanding equity or voting securities of a reporting issuer,</b></p> <p>except as a trustee of a trust.</p>	<p>Market</p>
<p><b>18(4)</b></p>	<p><b>18. (1) A Commissioner or any other person attending a meeting of the Commission who is in any way, whether directly or indirectly, interested in a matter before the Commission shall declare his interest to the Commission and absent himself during the deliberations concerning <b>the matter in respect of which he his declaration declared of an interest interests.</b></b></p> <p>(2) The Commission, excluding the Commissioner whose interest is</p>	<p>Senator Balgobin</p>

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	<p>being considered, shall determine whether this interest is sufficiently material so as to constitute a conflict of interest.</p> <p>(3) In the event that the Commission finds that the interest is such as to constitute a conflict of interest, the Commissioner or any other person attending a meeting of the Commission shall not take part in any deliberations or vote on that matter, and shall absent himself during such deliberations.</p> <p>(4) For the purposes of this section, a Commissioner or any other person attending a meeting of the Commission shall be deemed to have an interest in a matter if he, or his nominee, is a security holder or partner in, or a senior officer of an entity <del>having an interest or being</del> <b>that is directly or indirectly</b> involved in a matter before the Commission.</p>	
<b>20(1)</b>	The Commission shall within four months of the end of its financial year send an annual report of its activities which shall include its annual audited financial statements to the Minister who shall cause it to be laid in Parliament <b>within one month of receipt of the report.</b>	Senator Drayton
<b>22(2)</b>	(2) The Minister shall approve the terms and conditions of appointment of the <del>chief</del> <b>chief</b> executive officer.	TTSEC
<b>33(1)</b>	33. (1) The Commission shall make all documents or instruments required to be filed with it under the Act available for public inspection during the normal business hours of the Commission, <b>subject to such conditions as the Commission may require</b> , unless—	TTSEC
<b>49(1)</b>	(1) Subject to subsection (4), any person who is aggrieved by any act or	Market

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	<p>omission of a self-regulatory organization, the board or a member of a self-regulatory organization, or any other <del>market actor</del> <b>person required to be registered pursuant to this Act</b>, may lodge a written complaint in respect thereof with the Commission.</p>	
<b>51(2)</b>	<p>Subject to section 53(2), an individual who is a senior officer or employee of <del>a person</del> <b>an entity</b> required to be registered under subsection (1) and who engages in any act, action or course of conduct in connection with, or incidental to, the class of business activities for which <del>a person</del> <b>an entity</b> registered under subsection (1) is engaged, shall register as a registered representative in the prescribed category, subject to such terms and conditions as the Commission may determine.</p>	Market
<b>51(5)</b>	<p>(5) Notwithstanding subsections (1) and (2), a sponsored broker-dealer or sponsored investment adviser may carry on business, or hold himself out as, or engage in any act, action or course of conduct in connection with, or incidental to, the business activities of a broker-dealer or investment adviser for a period not exceeding <b>an aggregate of</b> thirty days in any one calendar year, where such sponsored broker-dealer or sponsored investment adviser is registered in the manner prescribed.</p>	Market
<b>51(6)</b>	<p><del>51. (6) No self-regulatory organization registered under this Act shall admit to membership or grant a licence to any person who is not a registrant under subsection (1) or (2).</del></p>	TTSEC

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51(7)	51. (6) Subject to section 56(1), the registration of a person as a registrant under subsection (1) or (2) shall be valid for a period of one year from the date of registration, and subject to this Act, the Commission may renew the registration of a person annually. <del>On the payment of the prescribed fee and on compliance with such other requirements as may be prescribed.</del>	TTSEC
52(1)	Subject to subsections (2) and (3) where an applicant for registration under section 51(4) or for renewal or reinstatement of such registration—	TTSEC
53(2)	(2) A person who is deemed to be registered under subsection (1) shall comply with the registration requirements of section 51(1) or (2) as the case may be, within twelve months from the date of the coming into force of <b>the General By-laws issued pursuant to</b> this Act and shall, until the earlier of the expiry of such twelve-month period and the date such person obtains registration under section 51(1) or (2) as the case may be, be permitted to continue performing the functions that such person was authorized to perform under the former Act.	Market
54	(3) A financial institution or a registrant under section 51(1) is deemed approved by the Commission for the purposes of subsection (1) <b>upon notification in writing to the Commission.</b>  (8) A person who is a substantial shareholder of a registrant under section 51(1) on the coming into force of this Act is deemed approved by the Commission for <b>the</b> purposes of subsection (1).	TTSEC  TTSEC



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	<b>(9) A person who is a substantial shareholder shall notify the Commission in writing of any change in excess of five per cent of the total issued capital of the registrant under section 51(1).</b>	TTSEC
<b>61(4)(a)</b>	Subsection (1) shall not apply to where the distribution is — (a) a limited offering provided that the issuer: <del>files a post distribution statement in accordance with section 84; or</del> <b>(i) notifies the Commission in writing of the commencement date of the distribution within ten days of the first distribution of securities, and</b> <b>(ii) files a post distribution statement in accordance with section 84; or</b>	Market
<b>62(2)</b>	<b>(c) in the case of a collective investment scheme established as a trust, by the duly authorized representative of the trustee or such other person as the Commission may approve.</b>	TTSEC
<b>62(9)(a)</b>	(9) Subsection (1) shall not apply to— (a) a limited offering provided that the issuer: <del>files a post distribution statement in accordance with section 84; or</del> <del>or</del> <b>(i) notifies the Commission of the commencement date of the distribution within ten days of the first distribution of</b>	Market

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	<p>securities, and</p> <p>(ii) files a post distribution statement in accordance with section 84; or</p>	
<b>64(1)(c)</b>	within seven days of the occurrence of the material change file a copy of the notice published in subsection <del>(1)</del> <b>(b)</b> with the Commission.	TTSEC
<b>65(6)</b>	(6) No person shall be appointed to act as the auditor of a reporting issuer unless such person is a member in good standing of ICATT <b>or its equivalent in a designated foreign jurisdiction</b> and meets any other requirements as may be prescribed.	TTSEC
<b>67(2)(c)</b>	(c) posting the document, report or statement on the website of the reporting issuer and <del>issuing a press release</del> <b>publishing a notice in two daily newspapers</b> to be approved by the Commission, notifying the security holders about the availability of such document, report or statement; or	
<b>68(2)(b)</b>	(b) each security holder whose proxy is solicited and to the reporting issuer a <del>dissident's</del> <b>dissident</b> proxy circular in the prescribed form stating the purpose of the solicitation when the solicitation is not by, or on behalf of the management of the reporting issuer.	TTSEC
<b>68(3)</b>	(3) A person who sends a proxy circular or <del>dissident's</del> <b>dissident</b> proxy circular shall forthwith file with the Commission a copy of the circular and the form of proxy.	TTSEC
<b>69(2)</b>	Subsection (1) is not available to an approved foreign issuer if, as at the end of the last financial year of the	Senator Ramkhelaw an

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	<p>approved foreign issuer, the number of voting securities of the issuer held beneficially and of record, directly or indirectly, by residents of Trinidad and Tobago exceeded twenty per cent of the <del>number of</del> voting securities outstanding of the issuer on such date or such other per cent as may be prescribed.</p>	
<b>72(2)</b>	<p>“financial assets” means cash, securities, or any contract of insurance, or deposit or evidence thereof that is not a security for <del>the</del> purposes of the Act;</p>	TTSEC
<b>74</b>	<p><b>74. (1)</b> A person shall not solicit the purchase or sale of a security by way of advertisement in connection with a distribution of a security, unless a receipt has been issued by the Commission under this Act for a prospectus offering the security and the advertisement—</p> <ul style="list-style-type: none"> <li>(a) identifies the security distributed;</li> <li>(b) states that a receipt has been issued;</li> <li>(c) identifies a person from whom <del>a document specified in paragraph (a)</del> <b>the prospectus offering the securities</b> may be obtained, and identifies a person through whom orders will be executed; and</li> <li>(d) contains any other prescribed information.</li> </ul> <p><b>(2) Notwithstanding subsection (1), where a distribution is to be made, a registrant registered under section 51(1) may solicit expressions of interest from</b></p>	Market

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	<b>prospective purchasers with respect to a proposed distribution if he notifies the Commission that he intends to do so and identifies the issuer and the security proposed to be distributed.</b>	
<b>79(1)(d)</b>	(1) Subject to subsection (2), section 73 does not apply to a distribution— by an issuer of a security pursuant to the exercise of a right to acquire a security of its own issue, which right was previously granted by the issuer, if no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services, other than the solicitation of investors, performed by a registrant <b>registered under section 51(1);</b>	Market
<b>79(3)</b>	(3) The certificate <b>or other proof of ownership</b> for any security distributed under an exemption in subsection (1)(a), (k), (l) or (m) shall contain a legend in the prescribed form.	TTSEC
<b>79(5)</b>	(5) For <b>the</b> purposes of subsections (4) and (6), a distribution is a trading transaction where—	TTSEC
<b>80(1)(a)(ii)</b>	(ii) a copy of the receipt or other evidence that the prospectus or offering document to be used in connection with a distribution of securities has become final for <b>the</b> purposes of a distribution of securities in a designated foreign jurisdiction;	TTSEC
<b>83(1)</b>	<b>83.</b> (1) For the purposes of this Part, a distribution commences on the date on which a receipt for a prospectus is issued by the Commission.	Market

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	<p>Subject to section 61(1) a distribution commences on the date on which the securities</p> <p>(4) Subject to subsection (5), a distribution shall not continue longer than one year and twenty days from the date of the receipt for the prospectus relating to it unless the Commission issues a new receipt for a current prospectus in which case the period runs from the date of the latter receipt.</p>	
<b>84(2)</b>	<p><del>(2) Where the period of distribution of securities exceeds ten days in length, an issuer shall comply with subsection (1) within ten days of the first distribution of securities thereunder, notwithstanding that such distribution may not be complete, and thereafter shall file a post distribution statement with the Commission in respect of the remaining securities distributed within ten days of the completion of the distribution.</del></p>	TTSEC
<b>98(1)(a)</b>	<p>(a) he has reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry as to his investment objectives, <b>investment experience</b>, financial situation and needs, or on any other information known to the registrant; and</p>	TTSEC
<b>98(2)</b>	<p>Where a registrant <b>registered under 51</b> publishes a research report which is not prepared for a specific client and which</p>	Market

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	recommends generally a trade in security, that research report—	
<b>104</b>	<p>104(1)(b) be amended to allow for acquisition of securities by employees pursuant to an employee stock compensation plan where:</p> <p style="padding-left: 40px;">(i) the participation of the person in the ESOP is established prior to the time that the person acquired knowledge or possession of material non-public information; <del>and</del> <i>or</i></p> <p style="padding-left: 40px;">(ii) the plan provides for the automatic acquisition of securities by participants in such plans.</p>	Market
<b>108 and marginal</b>	<p>108. (1) Where securities of an issuer are registered in the name of, but not beneficially owned by, a <del>market—actor</del> <b>registrant registered under section 51(1)</b> or his nominee, the <del>market—actor</del> <b>registrant registered under section 51(1)</b> or his nominee shall send to the beneficial owner of the securities a copy of any document sent to him as registered security holder forthwith after receipt thereof, unless the beneficial owner instructs him in writing that the document need not be sent.</p> <p>(2) A person who sends a document to registered security holders pursuant to this Act shall furnish to a <del>market—actor</del> <b>registrant registered under section 51(1)</b> or his nominee forthwith upon request, sufficient copies of the document to enable him to comply with subsection (1) and the <del>market—actor</del> <b>registrant registered under section 51(1)</b> or his nominee shall pay or reimburse the person the reasonable costs of</p>	Market

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	doing so.	
<b>120(3)</b>	(3) The requirement to obtain the written authorization of a beneficial owner required by subsection (1)(a) or (2)(a) is satisfied if the beneficial owner acknowledges in any agreement or document entered into with a registrant <b>registered under 51(1)</b> , participant or clearing agency, that securities owned by the beneficial owner may be kept by means of record entries with a clearing agency, whether entered into before or after the issue of a security contemplated in this section.	Market
<b>136(2)(b)</b>	<p>A person under this section—</p> <p>(a) who has filed or is required to file a report; and</p> <p>(b) whose direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer by him <del>and his associates</del> changes from that shown or required to be shown in the report or in the latest report filed by him,</p> <p>shall within five business days from the day on which the change takes place, file a report of direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer by him <del>and his associates</del> as of the day on which the change took place and the change or changes that occurred, giving such details of each transaction as may be prescribed.</p>	Market
<b>136(5)</b>	(5) For <b>the</b> purposes of this section, a person has beneficial ownership of, or control or direction over securities of a reporting issuer including—	TTSEC
<b>139(6)</b>	(6) Notwithstanding subsections (4) and (5), no underwriter is liable for more than the <b>portion of the</b> total public offering price represented by <del>the portion of the</del> distribution of securities underwritten, sold by, or to	Senator Ramkhelawan

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	the underwriter.	
<b>148(1)</b>	<p>(n) prescribing categories or sub-categories of issuers for <b>the</b> purposes of the prospectus requirements under the Act and classifying issuers into categories or sub-categories;</p> <p>(w) prescribing requirements in respect of financial accounting, financial reporting and auditing for <b>the</b> purposes of the Act, including—</p> <p>(ee) respecting the designation or recognition of any person, or jurisdiction if advisable for <b>the</b> purposes of the Act, including self-regulatory organizations;</p> <p>(ff) respecting the conduct of the Commission and its employees in relation to duties and responsibilities and discretionary powers under the Act, including the conduct of investigations, <b>reviews</b>, examinations and the conduct of hearings;</p>	<p>TTSEC</p> <p>TTSEC</p> <p>TTSEC</p> <p>TTSEC</p>
<b>151(1)(c)</b>	(c) if necessary, to reproduce, or assist in reproducing, in usable form, information recorded or stored in <del>any</del> <b>any</b> book, record, document or class of documents specified in the notice (within the time and in the manner specified in the notice); or	TTSEC
<b>152</b>	No person shall withhold, conceal, destroy or refuse to produce any document, instrument, writing, information or record required for the purpose of an examination, <b>review</b> , or investigation under this Act.	TTSEC
<b>155(1)(f)</b>	(f) a <del>market—actor</del> <b>registrant registered under 51(1)</b> submit to a review of his practices and procedures and institute such changes as may be ordered by the Commission;	TTSEC



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	<b>(k) allows for the effective carrying out of the purposes of this Act.</b>	TTSEC
<b>163(1)</b>	<p>(1) Where the Commission considers that it is in the public interest or necessary for the protection of investors to prevent—</p> <p>(a) a person <b>who</b> is or has been in breach of or has contravened this Act; or</p> <p>(b) a registrant or self-regulatory organization whose registration under this Act has been suspended or revoked,</p> <p>from dealing with property under his or its control or direction, the Commission may apply to the High Court and the High Court may appoint a receiver or receiver-manager in respect of the property of the person, registrant or self-regulatory <del>organisation</del> <b>organization</b> if it is satisfied that it is in the interests of investors or persons whose property is controlled by that person, registrant or self-regulatory <del>organisation</del> <b>organization</b>, creditors or security holders of that person, registrant or self-regulatory <del>organisation</del> <b>organization</b>, or members of that person, registrant or self-regulatory organization to do so.</p>	TTSEC
<b>165(1)</b>	(b) makes a misrepresentation to any person appointed to conduct an investigation, <b>review</b> or an examination under section 150 or 151; or	TTSEC
<b>172</b>	Amendment to be made to revise the definition of supervisory authority in the Financial Obligations Regulations, 2010	TTSEC