

ANNUAL REPORT 2004

Trinidad and Tobago Securities and Exchange Commission





ANNUAL REPORT 2004

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LETTER OF TRANSMITTAL



January 31, 2005

The Honourable Patrick Manning
Prime Minister and Minister of Finance
Whitehall
29 Maraval Road
PORT OF SPAIN

Dear Sir,

In compliance with the provisions of Section 20(1) of the Securities Industry Act, 1995, I submit the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2004.

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

Yours faithfully,

Osborne Nurse
Chairman

OUR VISION

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

OUR MISSION

The Trinidad and Tobago Securities and Exchange Commission
is the regulatory agency for the Securities Industry.


We administer the Securities Industry Act to protect
the investor, promote integrity and transparency and
foster the development of the capital market through
a committed and competent team of professionals.

FUNCTIONS OF THE COMMISSION

The Trinidad and Tobago Securities and Exchange Commission (“the Commission”) was established by the Securities Industry Act, 1995 (“the Act”). It is an autonomous body whose role is to provide for the regulation of the securities market in Trinidad and Tobago and for related matters.

The main functions of the Commission are outlined in Section 5 of the Act and they are as follows:

- Advise the Minister of Finance on all matters relating to the securities industry;
- Maintain surveillance over the securities market and ensure orderly, fair and equitable dealings in securities;
- Register, authorize or regulate in accordance with the Act, self-regulatory organizations, securities companies, brokers, dealers, traders, 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 business;
- Protect the integrity of the securities market against any abuses arising from the practice of insider trading;
- Create and promote such conditions in the securities market as may seem to be necessary, advisable, or appropriate to ensure the orderly growth and development of the capital market.



Mr. Osborne Nurse | Chairman

CHAIRMAN'S MESSAGE

Enhancing Fairness, Transparency and Equity in the Securities Market

I am pleased to present the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2004.

The year under review has been very challenging for the Commission as it sought to improve the quality of its supervision and to enhance the framework for orderly growth of the market. Consequently, the Commission became more active in supervising the Trinidad and Tobago Stock Exchange ("the Exchange"), in enforcing compliance with the Act, in bringing the exercise of reviewing the Act to a conclusion and in building and improving its internal systems. It also sought to review its fee structure during the year under review.

These market and system improvements have been undertaken during a period in which both the global and the domestic economies enjoyed significant growth. However, while there were strong economic growth trends the world over, the domestic securities market demonstrated a much more robust performance than did the major international securities market and stock exchanges. For example, while the S&P 500 in the United States, the FTSE 100 in the United Kingdom, the DAX in Germany and the Nikkei in Japan all suffered declines, the Trinidad and Tobago Composite Index grew by 362.7 points or 60% over the period.

Notwithstanding the growth in the volume and value of market activity, there was only one new listing on the Exchange, which comprised 276,825,714 shares of a cross listed regional company.

This means that the market continues to be sluggish in terms of attracting new securities for listing. The Commission is seeking to

establish the reasons for this and to identify mechanisms for increasing the number of new listings.

REGULATORY CHANGES AT THE COMMISSION

During the year under review, the Commission became more active in respect of its relationship with the Exchange, holding two hearings on matters relating to changes in its Rules.

The first hearing dealt with the issue of permitting the listing of shares with constrained ownership provisions and this resulted in the publication of guidelines by the Commission outlining the circumstances in which such constrained ownership issuers may be listed.

The application of these guidelines is expected to help encourage privately-held companies and demutualized companies to approach the Exchange with a view to raising new equity without undue concern about a loss of control.

The second hearing dealt with the approval of the rules to permit automated trading on the Exchange. Under the automated trading system many of the perceived inefficiencies in the existing manual system will be corrected and there should be no room for suspicion that certain parties may get preferential treatment by brokers. The Exchange indicates that the automated trading system will go live by January 2005, with the Commission having the capacity to monitor each trade as it takes place. In addition to these matters, the Commission made every effort to maintain a close working relationship with the Exchange in the interest of ensuring the effective supervision and efficiency of the market.

COMPLIANCE

It appears that over the past several years, registrants with the Commission have come to view the requirements of the Act regarding their reporting obligations as a minor administrative matter and they consequently appear to believe that it is immaterial if the required reports are filed late or, in some cases, not at all. The Commission however, views the compliance by registrants with the filing requirements as an extremely important part of the process of disclosure, by which investors may have access to the information they require to make their investment decisions.

As a consequence, in October 2003 the Commission published a notice in the press reminding listed companies of the importance of meeting their filing obligations in accordance with the deadlines established in the Act. In that notice the Commission also indicated its view of the importance of satisfying the obligations. To our dismay it was noted that at June 30, 2004 over 60% of all registrants with filing obligations had filed late and were in contravention of one or more of their obligations under Section 66 of the Act and By-laws 28, 55 and 56.

The Commission therefore instituted enforcement proceedings and, by written notice to 82 registrants that were in contravention of the relevant provisions, advised of the intention to impose penalties as provided under Section 143. As at the end of the financial year, the Commission had not begun the process of considering and making determination in each case.

It is important to re-emphasize that the obligations for disclosure contained in the Act constitute an extremely important part of the process of ensuring fairness and transparency in the market and of informing investors about the performance of their investments. Consequently, the Commission will

continue to monitor registrants' adherence to reporting obligations and to take enforcement action against those who do not comply with their statutory disclosure obligations.

LEGISLATION

The Consultant engaged to revise the Act has indicated that their Final Report would be delivered in the first quarter of the 2004/2005 financial year. On receipt of this Report the Commission would embark upon the process that will be required to present the legislation for approval. It is expected that our draft legislative proposals will be presented to the Minister early in the fourth quarter of the 2004/2005 fiscal period.

During the year, the Commission submitted its draft Take-over By-laws to the Minister of Finance for approval. At the end of 2004, approval had not been granted and the procedures contained in those By-laws were not enforceable when the majority shareholder of Republic Bank Limited sought to increase its stake in the Bank in the first quarter of 2004/2005.

During the coming year, the Commission will devote substantial attention to seeking improvements in the processes for promulgating By-laws. In the meantime, the Commission intends to publish more guidelines under the Act in order to permit both comments and opportunities for practical testing of their implementation, before such guidelines are converted into By-laws.

The Commission commends to the market the adoption of an approach by which its published Guidelines will be used by registrants even before they become binding By-laws, in order to improve the efficiency of the market.

FEES AND COST OF OPERATING THE COMMISSION

During the year the Commission undertook a comprehensive review

of its fee structure and the manner in which the burden of the cost of its operation is to be borne. The analysis revealed that fee income earned by the Commission accounts for 10-12% of its costs, and that some 74% of this is borne by market actors such as brokers, traders and investment advisers.

The Commission considers that ultimately, the market should bear the majority, if not all, of the cost of its regulation. Consequently, after consultation with market participants, the Commission has developed a new fee structure that seeks to transfer more of the burden to the market, and to distribute it more equitably among market participants. If the new fee regime is approved these two objectives would be substantially satisfied by the introduction of the concept of a market access fee which applies to the value of all issues of debt, equity and mutual fund securities in the market.

The Commission hopes that the new fee structure would be implemented by the beginning of the third quarter of 2004/2005.

FUTURE DEVELOPMENTS

During the new financial year the Commission intends to pay more attention to the question of the effective supervision of the mutual fund and bond markets. To some extent, full achievement of these objectives will be related to the eventual passage of revised securities legislation. However, while strengthening its capacity to develop rules, the Commission will also seek to guide the market in the direction of more effective and fairer operations. This will be effected through the publication of appropriate guidelines, to be followed by their implementation as primary legislation or By-laws.

Similarly, during the coming year the Commission will publish appropriate guidelines for the registration of securities in order that issuers may

better understand the Commission's processes and the requirements of the Act, and so make for a more efficient process for registration.

ACKNOWLEDGEMENT

In June 2004, our General Manager, Ms. Monica Clement, retired from the position that she had held for four years, prior to which she had also served as a Commissioner on the Board of the Commission. The contribution made by Ms. Clement in both capacities has been invaluable to the organization, its staff and to the market. On behalf of all Commissioners, members of staff and all stakeholders, I would like therefore to pay public tribute to Ms. Clement for her contribution to the Commission.

During the year as well the term of appointment of Ms. Amy Chang Fong, who had served as a Commissioner since 1998, came to an end. She was replaced by Dr. Shelton Nicholls, Deputy Governor of the Central Bank. As we acknowledge and thank Ms. Chang Fong for her contributions over the years, we also welcome Dr. Nicholls to the Commission.

Finally, I wish to thank my fellow Commissioners and the staff of the Commission for their support, commitment and hard work during the year.



Osborne Nurse
Chairman

Ms. Denise Hackett
Acting General Manager

GENERAL MANAGER'S REMARKS

INSTITUTIONAL DEVELOPMENTS

The year ended September 30, 2004 was a year that was marked by significant developments in the Trinidad and Tobago securities market. During that period the Commission reviewed rules proposed by the Exchange in respect of the introduction of automated trading in listed securities. On September 30, 2004 the Commission held a hearing under Section 40 of the Act to consider the proposed rules. On October 22, 2004 the Commission approved the proposed rules with some amendments, clearing the way for trading on the Horizon Automated Trading platform.

Further modernization of securities trading and settlement was facilitated by the initiative to introduce a clearing system for government securities. During 2004 the Central Bank of Trinidad and Tobago worked towards the establishment of the Government Securities Settlement System or GSS. This system went live on December 9, 2004. Initially, GSS accommodated settlement of

treasury bills and treasury notes but it is envisaged that in 2005 the system would handle the settlement of government bonds. The system consists of an online auction system and an integrated securities depository.

During the year under review an initiative to set up a credit rating agency that would analyse debt securities issued regionally advanced to its final phase. This initiative culminated in the launch of Caribbean Information and Credit Rating Services Limited, better known as CariCRIS, on October 19, 2004. The firm is headquartered in Port of Spain. This is a welcome development in the securities market as investors will now be better able to assess the creditworthiness of regional issuers of securities.

NEW LISTING

One new listing on the Exchange occurred during the review period, namely, that of Sagicor Financial Corporation, a company with articles

of incorporation that prohibit any single shareholder from owning more than 5% of the company's shares within five years of the date of listing, namely August 24, 2004. The listing of Sagicor was preceded by a hearing held by the Commission on January 15, 2004 to consider rule changes proposed by the Exchange that were intended to facilitate the listing of companies with constrained shareholding provisions. On March 1, 2004 the Commission issued guidelines on the listing of such entities. These guidelines indicate the circumstances in which constrained shareholding companies should be listed.

REVISION OF FEE STRUCTURE

During the year under review the Commission began the process of reviewing its fee structure in order to achieve a fairer distribution of the fee burden as between market actors and reporting issuers. Another objective of the review process was to ensure adequate coverage of the range of activities undertaken by registrants in the market. In order to

carry out its mandate effectively, the Commission must be adequately resourced. In this regard, the Commission is guided by two of the core principles of the International Organization of Securities Commissions (IOSCO), namely:

1. *The regulator should be operationally independent and accountable in the exercise of its functions and powers.* (IOSCO Principle No. 2)
2. *The regulator should have adequate powers, proper resources and the capacity to perform its functions and exercise its powers.* (IOSCO Principle No. 3)

The process of reviewing the Commission's fee structure entailed meeting registrants in order to explain the rationale for the proposed fee changes and to seek their comments on the proposed revised scheme. The first consultation with registrants on the proposed changes took place on September 23, 2004. A recurrent theme of comments from registrants was that there would be an expectation on the part of the market that any imposition of increased fees would be matched by greater effectiveness on the part of the Commission in discharging its mandate. The Commission has taken cognizance of these concerns and has taken steps to improve its surveillance and enforcement functions and to reduce the turn-around time for various registrations and approvals. A revised schedule of fees has been submitted by the Commission for the approval of the Minister of Finance and it is expected that the revised scheme would come into effect early in 2005.

REVIEW OF SECURITIES LEGISLATION

With regard to the improvement of the regulatory framework for the securities market, the Commission worked along with its consultant Stikeman Elliott LLP during the

review period to finalize the Report on the Review and Revision of the Act and associated legislation. The main focus of this initiative is to establish a securities regulatory regime that is appropriate for a rapidly developing market. Accordingly, emphasis has been placed on developing a disclosure regime for issuers that will promote fair dealings in securities. Attention has also been paid to the sale of securities of collective investment schemes, an activity that is inadequately regulated at present. The existing legislation on the operation of clearing agencies was also reviewed. Harmonization of the relevant provisions of the Companies Act with securities legislation was an objective of the review process. With a view to improving the regulatory framework for the market, the Consultants proposed the setting up of a Securities Market Tribunal. This proposal is a significant structural recommendation regarding the way in which contraventions regarding securities market misconduct are dealt with. This proposal also recommends changes in respect of appeals from decisions of the Commission on registration and other matters affecting regulated entities.

The Consultants held discussions on their proposals with securities market stakeholders in order to ascertain their views on their appropriateness and relevance. The last of these consultations was held from March 10-12, 2004. Following this consultation, the Consultants developed their recommendations further to take account of the comments of stakeholders and to deal with issues raised by Commission staff. A draft Final Report was submitted by the Consultants in September 2004.

CORPORATE GOVERNANCE

During the year under review the Commission participated in the deliberations of the Caribbean

Corporate Governance Forum. The Forum was inaugurated on September 3, 2003 with the aim of raising the profile of corporate governance regionally and ensuring its prominence on the policy agenda of governments, central banks, stock exchanges, corporate and other bodies. The Forum has developed draft Corporate Governance Principles for Caribbean countries and the formulation of sector specific Corporate Governance Codes is planned. The Commission recognizes the importance of the promotion of good corporate governance for confidence in the securities market. Consequently, the Commission looks forward to the establishment of a Code for regional securities markets.

HUMAN RESOURCES

The Commission continued the process of revising its compensation scheme during the year under review in an effort to attract and retain personnel capable of effectively undertaking regulation of the local securities market. It is hoped that the enhancements to the compensation packages offered by the Commission achieve this objective.

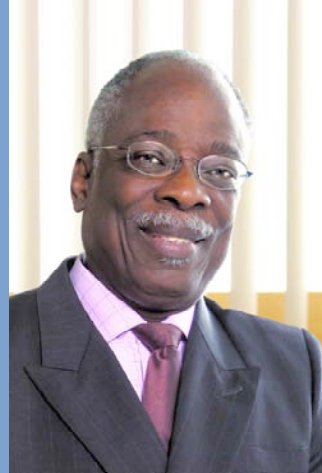
I would like to thank staff for the commitment to the achievement of the Commission's mandate that they have demonstrated throughout 2004 despite the many changes and challenges that emerged during that period.



Denise Hackett
Acting General Manager

THE COMMISSIONERS

Mr. Osborne Nurse
Chairman



Ms. Bridgid Annisette-George
Commissioner



Ms. Shelley Collymore
Commissioner



Ms. Alison Lewis
Commissioner



Dr. Shelton Nicholls
Commissioner



TRIBUTE TO MONICA CLEMENT

We are honoured to have worked with such a distinguished personality



Ms. Monica Clement, a pioneer of the Commission, played a vital role in its achievement of important milestones. Promoting higher standards of business practice and surmounting many challenges, she paved the way for the future success of the Commission in the discharge of its mandate. Ms. Clement was appointed a Commissioner in 1997 and later served the Commission as General Manager for four years prior to her retirement in August 2004.

During her tenure as General Manager she guided the processes that led to:

- the publication of Guidelines on the Listing of Companies with Constrained Shareholding provisions; and
 - the drafting of new legislation for the securities industry.
- The entire staff of the Commission is honoured to have worked with her.
- We therefore wish to thank her for her years of dedicated service and to wish her the best in her future endeavours.
- the preparation and publication of the Take-over By-laws;
 - the publication of Guidelines on Selective Disclosure of Price Sensitive Information;

Ms. Denise Hackett
Acting General Manager

Mr. Kelvin Sergeant
Director, Research

Ms. Cicelyn Burrowes
Director, Market Regulation
and Surveillance

Ms. Lynette Ramoutar
Acting Director, Legal
Advisory and Enforcement



MANAGEMENT OF THE COMMISSION

STAFF OF THE COMMISSION





STAFF OF THE COMMISSION

1	Kevin Deopersad	Financial Research Officer
2	Ayoub Barcoo	Financial Research Officer
3	Candice Taylor	Clerical Assistant (Temp.)
4	Amelia Samai	Clerical Assistant
5	Tricia Sampath	Clerical Assistant
6	Rowena Jamurath-Bunsee	Legal Officer
7	Arnold Ramlogan	Accounts Executive
8	Sandra Smart	Executive Secretary
9	Tracy Mills	Customer Service Assistant
10	David Bazil	Senior Research Officer
11	Cheryl Cameron	Documentation Officer
12	Rosalind King	Financial Research Officer
13	Laura Ferrier	Clerical Assistant
14	Adil Ali	Chauffeur / Messenger
15	Craig Cumberbatch	Financial Research Officer
16	Carol Noel	IT Specialist
17	Charmaine Howard	IT Administrator
18	Kirk Hogan	Legal Officer
19	Leslie Clarke	Service Attendant
20	Ria Badree	Executive Secretary
21	Keron Victor	Clerical Assistant (Temp.)
22	Heather Dawn Charles	Communications Specialist
23	Cindy Ramsumair	Legal Research Officer
24	Lisa Gobin	Clerical Assistant II
25	Kurt Stephen	Senior Research Officer
26	Hazel Ramsingh-Persad	Assistant Administrator
27	Jerome Gooptar	Financial Research Officer
28	Ingmarie Ralph	Clerical Assistant
29	Bevan Gibson	Clerical Assistant
	Esmond Claxton (ABSENT)	Messenger / Cleaner
	Joanne Dasent (ABSENT)	Legal Officer
	Arlene Francis (ABSENT)	Ag. Clerical Assistant
	Ralph Mangroo (ABSENT)	Messenger (Temp.)

ECONOMIC REVIEW

THE GLOBAL ECONOMY

After a period of lingering uncertainties, the global recovery has become increasingly well established over the last year, with global GDP growth projected to average 5% in 2004, the highest for nearly three decades. The global recovery is now much broader based, but some regions continue to grow more vigorously than others. Global expansion continues to be driven by the United States, with strong support from Asia, notably China and Japan. Activity in Latin America and some emerging markets has also increased significantly. The recovery in Europe has become more established, although the strength of the upturn varies across countries and internal demand is still generally weak. Meanwhile, in the CARICOM region, there was some improvement in economic activity on account of low international interest rates, expansion in global economic activity, rising commodity prices and a rebound in tourism. Additionally, structural reforms and adjustment measures undertaken by these Caricom countries also placed them in a favourable economic position to benefit from the global upturn.

The US economy grew at an annual rate of 4% in the third quarter, slightly higher than previously estimated. In the second quarter of the year the US economy grew by 3.3%. Latest indicators suggest that the US economy would grow by 3.8% in the final quarter of 2004. Meanwhile, inflation has remained subdued with core inflation stabilized within the range of 1% and 2% annually. Headline inflation measured between 1.7% and 3.1% on an annual basis during the first eight months of 2004. The US dollar fell to a record low level against the Euro and Yen in 2004 resulting in the third consecutive annual loss against these currencies. The dollar fell by 7.6% against the Euro and by 3.9%

against the Yen.

In Europe, economic growth gained moderate momentum in 2004 because of an increase in external demand. Substantial differences appeared across countries. Higher oil prices kept inflation above 2%. However, excess capacity, the recent appreciation of the Euro and continued wage moderation are expected to lower inflation rates. Given the modest pace of the expansion, monetary policy in the Euro area has remained accommodative, and the European Central Bank continues to resist calls to raise interest rates.

Inflationary pressures seemed to be increasing in some Latin American countries. Improved global growth, easier external financing conditions and higher commodity prices have contributed to increased economic activity in Latin America. Argentina, Brazil and Chile performed very well during 2004. This may be as a result of exchange rate depreciation and higher oil prices.

In the English-speaking Caribbean, most economies showed improvements in the first half of 2004. Real GDP in Jamaica grew by 2% in fiscal 2003/2004 (April/March), as a result of strong performance in tourism and mining. Improved tourist inflows resulted in a 2.7% growth in the Barbadian economy in the first six months of 2004. In the OECS, the economies performed much better than the previous year, also as a result of increased tourist arrivals. Inflation remained moderate in most of the regional economies, averaging between 1.5% (OECS) and 2% (Barbados).

THE TRINIDAD AND TOBAGO ECONOMY

The Trinidad and Tobago economy continued its strong performance in the first half of 2004. According to data released by the Central Bank,

real GDP grew by 4.4%, as compared with 3.3% in the corresponding period of 2003. Both the energy and non-energy sectors recorded growth, the former by 4.7% and the latter by 4.4%. The growth experienced by the energy sector was not as strong as that of the previous fiscal year. This resulted mainly from industrial unrest in this sector during the review period. In the non-energy sectors, strong performance was recorded in the Distribution (10.5%), Construction (7.9%), Finance, Insurance and Real Estate (8%) and Transport, Storage and Communications (7.4%). Growth in the Manufacturing sector remained weak at 1.9%.

The latest data from the CSO provided additional evidence that inflationary pressures were increasing, and that labour market conditions showed general improvement. At the end of August 2004, headline inflation as measured by the retail price index rose by 3.7%. The increase in inflation is almost entirely attributable to the rise in food prices, which measured 10.4% at the end of August 2004. Conditions improved in the labour market during the first quarter of 2004. The unemployment rate measured 10.2%, as compared with 11% for the corresponding period in 2003.

In the fiscal year 2003/2004, Central Government operations recorded an overall surplus of \$1,700 million, which was equivalent to 2.4% of GDP. On the external account, Trinidad and Tobago's overall balance of payments surplus was US\$577.2 million, equivalent to 4.8% of GDP. This compared favourably with a surplus of US\$48 million (0.4% of GDP) for the corresponding period of 2003. The overall surplus increased the level of gross official reserves to US\$2,835.2 million as at the end of September 2004.

CAPITAL MARKETS

GLOBAL CAPITAL MARKETS

The global capital markets generally demonstrated positive performance over the period October 2003 to January 2004. However, from February 2004 to September 2004, investor confidence waned as concerns about the Federal Reserve's monetary policy seemed to dampen their appetite for risk.

During the period beginning October 2003 and ending January 2004, the positive performance of the equity markets arose from investors' increasing appetite for risk.¹ This period witnessed an increase in the S&P 500, from 1114.58 to 1140.84, an increase of 26.26 points. The DAX also rose by 159.83 points and the Nikkei rose by 1035.3 points (see Figure 1).

¹ See Bank of International Settlements, 74th Annual Report, April 2003 to March 2004; and International Monetary Fund, World Economic Outlook, September 2004.

From February to September 2004 the returns of the equity markets fell as sharply as they rose in the early part of the review period (see Figure 1). Investors' appetite for risk declined as concerns about the then imminent monetary tightening by the US Federal Reserve emerged. The response of the equity market was reflected in the fall of the S&P 500, the DAX and the Nikkei which fell by 90 points, 397 points and 264 points respectively.

In the corporate bond/credit markets both an improvement in the credit quality of the corporations and the investors' appetite for risk contributed to a rally in this market. At the end of 2003, more high yielding corporate debt issues were sought by investors because of the decrease in corporate defaults and the investors' appetite for risk. This trend continued up to the third quarter of 2004.

As a result of uncertainty associated with the major global economies,

the demand for Government Bonds softened during most of the review period.

TRINIDAD AND TOBAGO CAPITAL MARKET

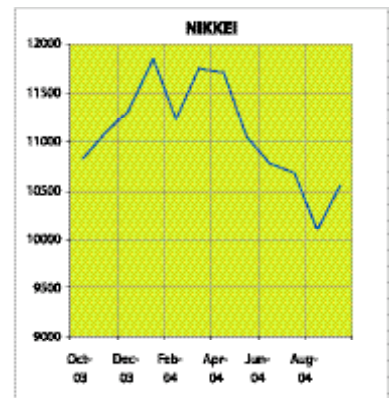
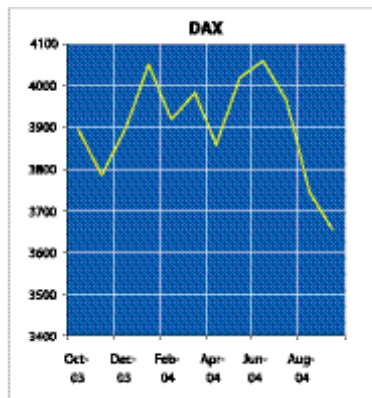
Over the period October 2003 to September 2004 the Trinidad and Tobago Capital Market enjoyed consistently positive performance. Overall, the equity market continued to provide improved returns, while softened interest rates encouraged the raising of capital through the issuance of debt securities.

STOCK MARKET

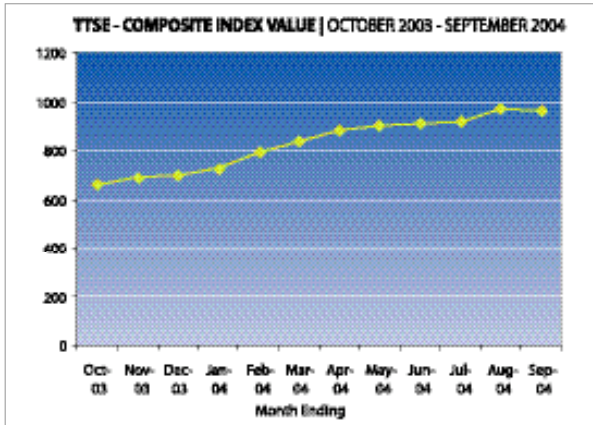
In spite of the continued uncertainty of the global capital markets, the Trinidad and Tobago stock market continued to perform well. This was attributed to the following:

1. low interest rates; and
2. improved corporate earnings.

FIGURE 1: PERFORMANCE OF SELECTED INDICES
OCTOBER 2003 TO SEPTEMBER 2004



SOURCE: WORLD FEDERATION OF EXCHANGES

FIGURE 2: MOVEMENTS OF THE COMPOSITE INDEX OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

SOURCE: TRINIDAD AND TOBAGO STOCK EXCHANGE

The total volume of shares increased from 293 million in 2002/2003 to 376 million in 2003/2004, another record over the past five years.

As a result of the increase in the prices and volume of shares traded, the value of shares traded increased by 131%, from \$1.7 billion in 2002/2003 to \$2.9 billion in 2003/2004 (see Table 1).

Market capitalisation grew by 77.8% from \$53 billion at the end of 2002/2003, to \$96 billion at the end of 2003/2004. This was the highest level of growth over the past five years and was occasioned by two factors: the general increase in the prices of stocks and the increase in the number of outstanding stock issues listed on the Exchange.

DEBT SECURITIES MARKET

Over the period under review \$7.9 billion of debt and debt related securities were registered with the Commission. Sixty-three percent of the value of these issues was attributed to bonds and commercial paper, while credit/debt derivative issues accounted for the remaining 37% (see Table 2).

TABLE 1: SUMMARY OF DATA OF THE EXCHANGE 1999/2002 TO 2003/2004

INDICATOR	YEARS				
	2003/2004	2002/2003	2001/2002	2000/2001	1999/2002
Number of Issuers of Ordinary Shares as at end of period	34	33	31	30	28
Volume of Shares Traded (million)	376	292.9	111.1	92.7	85.2
Value of Shares Traded (TTD million)	2,941	1,727.8	1,132.5	843.9	839.5
Market Capitalisation as at September 30 (TTD million)	95,689	53,807.8	35,771.4	32,308.3	29,693.9
Percentage Change in Market Capitalisation	77.8%	50.4%	10.7%	8.8%	12.2%
Composite Index as at September 30	962.7	600	488.6	444.1	447.3
Change in the Composite Index	362.7	111.4	44.5	-3.2	
Turnover Ratio	3.1%	3.2%	3.2%	2.6%	2.8%

SOURCE: TRINIDAD AND TOBAGO STOCK EXCHANGE

TABLE 2: SUMMARY OF REGISTERED DEBT ISSUES
OCTOBER 2003 TO SEPTEMBER 2004

TYPE OF DEBT SECURITY	VALUE (TTD)	PERCENTAGE OF TOTAL VALUE
Bonds and Commercial Paper	5,012,525,920	63%
Credit/ Debt Derivatives	2,949,128,730	37%
Total	7,961,654,651	100%

SOURCE: TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Eighty-six percent of the value of debt and debt related securities issues was denominated in Trinidad and Tobago Dollars (TTD), with 13% denominated in United States Dollars (USD), and 1% in Eastern Caribbean Dollars (EC\$).

Approximately 82% of the registered bond and commercial paper issues was denominated in TTD, while the remaining 18% was denominated in USD. In the case of the value of registered credit/debt derivatives, almost 93% was denominated in TTD, with 4% in USD and 3% in EC\$ currency (see Table 3).

Government bonds and commercial paper registered with the

Commission accounted for 87% of the value of the registered securities, which amounted to \$4.3 billion, while the private sector accounted for \$0.3 billion or 13% (see Table 4).

Among the government issuers the Government of the Republic of Trinidad and Tobago and its related agencies accounted for 74% of the value of the registered bonds or \$3.7 billion. In this sub-category of government issuers, the Central Government accounted for 32% or \$1.6 billion of the bonds. The largest quasi-governmental issuer was Caroni (1975) Limited which accounted for 17% or \$0.8 billion of the bonds.

TABLE 3: CURRENCY OF REGISTERED DEBT ISSUES | OCTOBER 2003 TO SEPTEMBER 2004

CURRENCY	VALUE OF BONDS (TTD)	PERCENTAGE OF TOTAL VALUE OF BONDS	VALUE OF CREDIT/DEBT DERIVATIVES (TTD)	PERCENTAGE OF TOTAL VALUE OF DERIVATIVES	TOTAL VALUE OF EACH CURRENCY (TTD)	PERCENTAGE OF TOTAL VALUE
EC\$		0%	74,762,558	3%	74,762,558	1%
TTD	4,128,129,396	82%	2,743,493,047	93%	6,871,622,444	86%
USD	884,396,524	18%	130,873,125	4%	1,015,269,649	13%
Total	5,012,525,920	100%	2,949,128,730	100%	7,961,654,651	100%

TTD TRINIDAD AND TOBAGO DOLLAR
 USD UNITED STATES OF AMERICA DOLLAR
 EC\$ EASTERN CARIBBEAN DOLLAR
 CONVERSION: TTD/ USD = 6.26 TTD/ EC\$ = 2.31

TABLE 4: VALUE OF REGISTERED BOND AND COMMERCIAL PAPER ISSUES BY CATEGORY OF ISSUER
OCTOBER 2003 TO SEPTEMBER 2004

CATEGORY OF ISSUER	ESTIMATED VALUE (TTD)	PERCENTAGE OF TOTAL VALUE
Government and Government Related Agencies		
<i>Trinidad and Tobago Central Government and Quasi-Government Agencies</i>		
Central Government of Trinidad and Tobago	1,620,000,000	32%
BWIA West Indies Airways Limited	31,300,000	1%
Caroni (1975) Limited	850,000,000	17%
National Flour Mills Limited	90,000,000	2%
National Insurance Property Development Company Limited	265,282,896	5%
Port Authority of Trinidad and Tobago	572,789,000	11%
Water and Sewerage Authority	289,057,500	6%
Sub-Total Trinidad and Tobago Government	3,718,429,396	74%
Government of Jamaica	313,000,000	6%
Jamaica Public Service Company Limited	187,800,000	4%
Nevis Island Administration	62,600,000	1%
The Government of St. Vincent and the Grenadines	93,900,000	2%
Sub-total Other Government Issuers	657,300,000	13%
Sub-total Government	4,375,729,396	87%
Private Sector		
Guardian Holdings Limited	94,500,000	2%
RBTT Merchant Bank Limited	195,796,524	4%
Trinidad Cement Limited	346,500,000	7%
Sub-Total Private Sector	636,796,524	13%
TOTAL	5,012,525,920	100%

CONVERSION: TTD/ USD = 6.26 TTD/ EC\$ = 2.31

SOURCE: TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Among those foreign government agencies that registered bonds, the Government of Jamaica and its related agency, Jamaica Public Service Company Limited, accounted for 6% and 4% respectively of the value of the registered bonds.

Trinidad Cement Limited (TCL) accounted for the majority of the total value of bonds registered by private sector firms. This company registered a single tranche of bonds which sought to raise \$0.3 billion in debt capital. Among the financial institutions Citicorp Merchant Bank Limited accounted for most (48%) of the value of registered credit/debt derivative securities (see Table 5).

TABLE 5: VALUE OF REGISTERED DERIVATIVE ISSUE BY ISSUER
OCTOBER 2003 TO SEPTEMBER 2004

ISSUER	VALUE (TTD)	PERCENTAGE OF TOTAL VALUE
Citicorp Merchant Bank Limited	1,426,015,558	48%
RBTT Merchant Bank Limited	1,046,934,565	35%
Republic Bank Limited	345,305,482	12%
Scotiabank Trinidad & Tobago Limited	130,873,125	4%
TOTAL	2,949,128,730	100%

SOURCE: TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

REGIONAL CAPITAL MARKETS

THE BARBADOS CAPITAL MARKET

The Barbados equity market, like its Trinidad and Tobago counterpart, enjoyed a year of net positive performance. The Composite Index of the local and cross listed equities exhibited a net increase over the year under review. The index of Local shares increased from 2,513 points in October 2003 to 3,335 points in September 2004, an increase of 822 points, while the index of Cross Listed shares increased from 1,534 points to 2,080 points, an increase of 546 points (see Figure 3).

However, there was a net decrease in the index for Junior equities, which decreased by 310 points from 1756 points in October 2003 to 1,446 points in September 2004 (see Figure 3).

For most of the period under review market capitalisation of Junior listed issues decreased by approximately 10%, from BD\$82.4 million at the end of October 2003 to BD\$74.2 million at the end of September 2004 (see Figure 4).

There was a net increase in the market capitalisation of the Cross Listed and Local equities. The Local equities increased from BD\$6.4 billion at the end of October 2003 to BD\$8.6 billion at the end of September 2004, while for the Cross Listed equities, the market capitalisation increased from BD\$4.2 billion at the end of October 2003 to BD\$7.07 billion at the end of July 2004.

The Cross Listed equities, then increased sharply to BD\$10.3 billion at the end of August 2004, but remained relatively flat to the end of September 2004 at approximately BD\$10.3 billion. The result was that at the end of the year under review the market capitalisation of Cross Listed issues was higher than that for the Local and Junior. This resulted

from a surge in the value of the market capitalisation of Cross Listed equities between July and August 2004. This surge was partly due to the fact that BWIA West Indies Limited increased their outstanding shares by 1.3 million units.

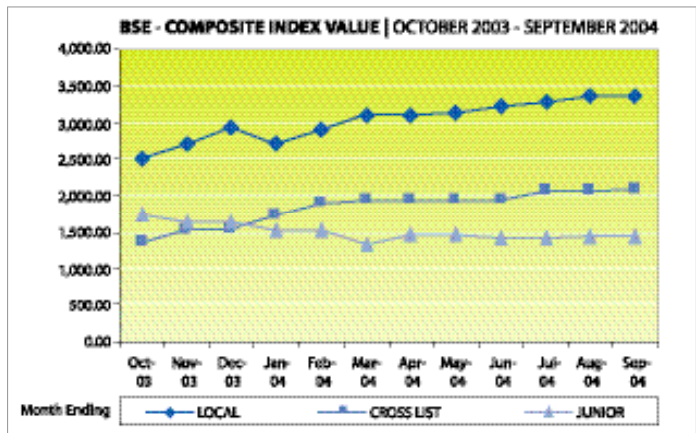
THE JAMAICA CAPITAL MARKET

During the review period there was a

net decline in interest rates in the Jamaica capital market, with the largest decrease occurring on the 180-day treasury instruments, which declined by a 250 points basis.

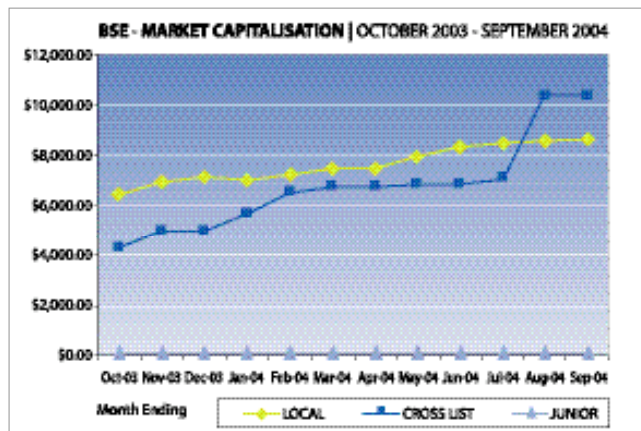
The fall in interest rates, positive macro-economic fundamentals and improved liquidity conditions in the domestic economy, facilitated the restructuring of a significant portion

FIGURE 3: MOVEMENTS OF THE BARBADOS STOCK EXCHANGE (BSE) CROSS LISTED, JUNIOR AND LOCAL COMPOSITE INDEX



SOURCE: BARBADOS STOCK EXCHANGE

FIGURE 4: MOVEMENTS OF THE BARBADOS STOCK EXCHANGE (BSE) MARKET CAPITALISATION



SOURCE: BARBADOS STOCK EXCHANGE

of the government's debt and the issuance of new debt on local and foreign markets.

As in the equity markets of Trinidad and Tobago and Barbados, there was a year of positive growth on the Jamaica stock market. The Composite Stock Index grew by 55,234 points from 50,260 points at the end of October 2003 to 105,494 points at the end of September 2004 (see Figure 5).

The increase in the price of shares was also accompanied by a 28% increase in the volume of shares traded from 2.5 billion 2002/2003 to 3.2 billion in 2003/2004².

² Source: Jamaica Stock Exchange

FIGURE 5: MOVEMENTS OF THE JAMAICA STOCK EXCHANGE (JSE) COMPOSITE INDEX



SOURCE: JAMAICA STOCK EXCHANGE

REVIEW OF OPERATIONS

DISCLOSURE, REGISTRATION AND CORPORATE FINANCE

The Disclosure, Registration and Corporate Finance Division has been entrusted with the responsibility for three facets of the Commission's overall operations:

1. Registration of self-regulatory organizations and reporting issuers, market actors and securities issued in the local market;
2. Review of prospectuses, information memoranda, offering circulars, or other documents used to solicit interest or advertise securities to the public;
3. Review of the financial reporting and the monitoring of corporate finance activities, accounting policies and corporate governance activities of all registrants.

MARKET ACTORS

As at September 30, 2004 there were 75 registered market actors conducting business on the securities markets of Trinidad and Tobago. Table 6 provides a summary of persons (market actors and reporting issuers) registered with the Commission.

REPORTING ISSUERS

As at September 30, 2004, the names of 76 registered issuers were listed in the Commission's register.

During the period under review, three additional reporting issuers were registered. Of these, one registrant, Dehring, Bunting and Golding Limited, was registered pursuant to the cross-listing of its ordinary share capital on the Exchange. One reporting issuer, Caribbean Finance Company Limited, was de-registered during the period.

REGISTERED SECURITIES

Section 65(1) of the Act stipulates that "no security shall be offered to the public or listed with any self-regulatory organization unless it is registered with the Commission". A summary of the securities registered with the Commission is provided in Table 7.

EQUITY ISSUES

During the period under review there were twenty-eight registered issues of equity capital in the capital markets of Trinidad and Tobago consisting of 1.65 billion units of the ordinary share capital of listed companies.

The issues were distributed by purpose as follows: Management Stock Compensation/Employee Stock Ownership Plans (22); Cross-listings (1); Rights Issues (1); Mergers, Acquisitions and Restructuring (3); and Demutualization (1).

TABLE 6: PERSONS (MARKET ACTORS AND REPORTING ISSUERS) REGISTERED WITH THE COMMISSION

CLASS OF REGISTRATION	AS AT SEPT 30 2004	AS AT SEPT 30 2003	AS AT SEPT 30 2002	AS AT SEPT 30 2001
Market Actors:				
Brokers	11	10	10	10
Dealers	2	2	2	3
Investment Advisers	24	18	19	21
Securities Companies	21	20	20	18
Self-Regulatory Organizations (SROs)	2	2	2	2
Traders	8	6	7	5
Underwriters	7	7	7	11
Total	75	65	67	70
Other Registrants:				
Reporting Issuers	76	74	70	69
Total	151	139	137	139

A DETAILED LIST OF PERSONS REGISTERED IN EACH CATEGORY AS AT SEPTEMBER, 2004 IS PROVIDED IN APPENDIX I.

TABLE 7: CLASSES OF SECURITIES REGISTERED BY THE COMMISSION

CLASS OF SECURITIES	OCT 1, 2003 TO SEPT 30, 2004	OCT 1, 2002 TO SEPT 30, 2003	OCT 1, 2001 TO SEPT 30, 2002	OCT 1, 2000 TO SEPT 30, 2001
Equity Issues	28	23	17	19
Mutual Funds	6	8	7	13
Debt Securities	24	22	21	29
Derivative (Debt) Securities	11	15	21	11
Collective Investment Schemes	3	0	0	1
Total	72	68	66	73

Table 8 shows the volume of shares registered in each respective category.

RIGHTS ISSUES

On June 3, 2004 the Commission approved the issue of 1,283,408,712 ordinary shares valued at TT\$257 million in BWIA West Indies Limited, pursuant to a 27 for 1 Rights Issue at TT\$0.20 per share. The issue was exempt from the requirement for a prospectus under Section 75(2) of the Act and the Commission reviewed an Information Memorandum containing the material facts surrounding the issue.

The proceeds of the issue were intended to partially recapitalize the company.

CROSS-LISTINGS

On September 9, 2004 the Commission approved the registration of 276,825,714 ordinary shares (TT\$2.8 million) of Dehring, Bunting and Golding (DB&G) Limited of Jamaica, pursuant to its cross-listing on the Exchange. DB&G became the fourth Jamaican company to be cross-listed and joined Grace, Kennedy and Company Limited, Capital Credit and Merchant Bank Limited and National Commercial Bank of Jamaica on the Exchange. DB&G was officially listed on the Exchange on October 12, 2004.

MERGERS, ACQUISITIONS AND REORGANIZATIONS

During the period, the Commission

granted approvals for the registration of three equity issues made pursuant to merger, acquisition and reorganization activity undertaken by market participants. These issues were as follows:

- Guardian Holdings Limited:** Registration of 29,941,117 ordinary shares valued at TT\$589.8 million, as consideration for the transfer of 200,000 shares in Guardian Insurance and 20,000 shares in Guardian General Limited by RBTT Financial Holdings Limited.
- ANSA Finance and Merchant Bank Limited:** Registration of 54,605,263 ordinary shares with a value of TT\$622.5 million, as purchase consideration for shares in Trinidad and Tobago Insurance Limited (TATIL).
- Grace, Kennedy and Company Limited:** Registration of 10,494 ordinary shares (worth TT\$22,974), pursuant to the exchange of shares by shareholders of a subsidiary.

MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

During the period October, 2003 to September, 2004 the Commission issued receipts for six prospectuses

TABLE 8: EQUITY ISSUES REGISTERED BY THE COMMISSION BY PURPOSE OF ISSUE

REGISTERED PURSUANT TO	NUMBER OF ORDINARY SHARES
Rights Issues	1,283,408,712
Cross-Listings	276,825,714
Mergers, Acquisitions and Reorganization	84,556,874
Executive/Management Compensation Plans	3,492,179
Employee Stock Ownership Plans	1,481,881
Demutualization	29,748

TABLE 9: TAX DEFERRED ANNUITY PLANS REGISTERED BY THE COMMISSION

SPONSOR	PLAN NAME
First Citizens Bank Limited	First Citizens Bank Limited Group Retirement Provider Plan
Bourse Securities Limited	Savinvest Group Retirement Plan
Bourse Securities Limited	Savinvest Individual Retirement Plan

representing 24 funds and three collective investment schemes.

MUTUAL FUNDS

Five prospectuses from local sponsors covering 23 new funds were received by the Commission during the period under review. The Commission received a prospectus comprising 13 foreign funds sponsored by the AIC Financial Group Limited, under the AIC Corporate Funds Inc. banner.

Trinidad and Tobago's first energy fund sponsored by First Citizens Trust and Asset Management Limited, the prospectus for the FCB Energy Fund, was received in August, 2004. First Citizens Trust and Asset Management Limited later submitted a supplemental prospectus to change the name of the fund to the First Energy Fund.

COLLECTIVE INVESTMENT SCHEMES

The prospectuses for three tax deferred annuity plans were received under the Act during the period under consideration. Table 9 provides the names of the sponsor and the respective plans (see also Appendix IV).

Regulation of Tax Deferred Annuity plans continues to pose challenges to the securities regulator. The Commission notes that these hybrid insurance/banking products are sponsored by non-insurance companies and exploit deficiencies in the legislation governing the securities, financial and insurance markets. These instruments, by virtue of their peculiar nature, may

be classified as securities. The Commission, in the fulfillment of its mandate to ensure the adequacy of disclosures, has embarked on an exercise to develop a policy guideline for the registration and continuous disclosure regime relating to these products.

DEBT AND DEBT DERIVATIVE SECURITIES

Twenty-four debt issues, with an aggregate face value of TT\$5.01 billion, were registered by the Commission during the review period. Eleven debt-derivative issues comprising Certificates of Interest and Certificates of Participation were registered during the period. These had an aggregate face value of TT\$2.95 billion.

Debt and Debt-Derivative Issues registered during the period were denominated in three currencies: the Trinidad and Tobago Dollar (TT\$6.87 billion), the United States Dollar (US\$171.2 million) and the Eastern Caribbean Dollar (EC\$32.4 million).

The Government of Trinidad and Tobago (GOTT), statutory organizations and state enterprises continue to be the major issuers of debt in the local bond market. The GOTT registered debt issues with an aggregate face value of TT\$1.62 billion, while statutory and state enterprises registered debt issues with an aggregate face value of TT\$2.1 billion over the period under review.

Regional governments and institutions have also been attracted to Trinidad and Tobago's capital

markets and have raised debt with an aggregate face value of US\$105 million in four issues during the period.

A complete list of the securities registered with the Commission for the review period is provided in Appendix III.

MARKET REGULATION AND SURVEILLANCE

The Division of Market Regulation and Surveillance intensified its activities in the securities market to ensure that all registrants complied with the necessary legislative requirements.

OVERSIGHT OF SELF-REGULATORY ORGANIZATIONS

In late 2003, staff of the Division of Market Regulation and Surveillance undertook a comprehensive review of the Exchange's Draft Horizon Trading Rules. These Rules define the operating procedures for automated trading on the Exchange. This review was completed in August 2004.

The Commission held a hearing on September 30, 2004 to provide an opportunity for interested parties to give their views on the Exchange's proposals to adopt new Automated Trading Rules. At this hearing the Commission expressed its concerns with respect to three specific issues, namely: Volume Disclosure, Price Protection and Pre Close Trading/ Trading Session Rules, all of which have the potential of impairing the integrity of automated trading. Amendments were made to these rules which the Commission

accepted as proposed.

The Commission will maintain ongoing surveillance of the Exchange's Automated Trading System, when implemented. This will require the installation of the necessary software to improve the Commission's effectiveness in its routine surveillance activities. The Commission has reviewed some available options for market surveillance software and has opted for a configuration of the Horizon system.

REGISTRANTS' FINANCIAL FILING OBLIGATIONS

During the financial year ended September 30th, 2004, the Commission issued Notices of Contravention to 82 registrants who were in breach of their filing obligations under the Act and the By-Laws, either because of their failure to file financial statements or to do so within the timeframe specified in the Act and the By-laws. The Commission is concerned about registrants' tardiness in disclosing their financial results. It is imperative that all Reporting Issuers give timely disclosure of financial results to their investors and the public so that they are informed of any changes that may occur in a company's financial position and they are able to make informed investment decisions.

SUSPECTED INSTANCES OF MARKET ABUSE

During the last financial year, the Division had cause to inquire into some instances of suspicious activity in the market, such as price manipulation and illegal insider trading. Reports are still to be concluded in those matters and are to be presented to the Commission.

CONFLICT OF INTEREST RULES STATEMENT

In respect of its determination to improve the oversight of the securities market and to ensure that

registrants maintain up to date filings, the Division of Market Regulation and Surveillance sent reminder notices to all Brokerages with respect to the requirement, pursuant to By-law 61 of the By-laws, 1997, to prepare and file a Conflict of Interest Rules Statement. By-law 61 requires that every registrant file with the Commission and provide clients with a copy of its Conflict of Interest Rules Statement.

By-law 62 prohibits a registrant from trading in or purchasing a security where the security is issued by the registrant or a related party of the registrant, unless the registrant has delivered its current Conflict of Interest Rules Statement to the client. If there are any significant changes in the Statement, a registrant is required to prepare and file a revised version of the Statement with the Commission and provide its clients with a copy of the revised version. Most brokerages have since complied with the filing of Conflict of Interest Rules Statements.

INVESTOR COMPLAINTS

One of the Commission's responsibilities under the Act is to ensure that all registrants maintain proper standards of conduct and professionalism in the securities business. In the last year, the Commission received and responded to varying types of complaints made by investors on activities of brokers and investment advisers registered with the Commission. In one instance, an investor was not satisfied with the manner in which his account was managed by a certain Investment Adviser and the Division sought to obtain an explanation from the Investment Adviser as to how he proposed to resolve the situation with the investor.

In another instance the Commission received an inquiry from a potential investor who had been approached by a registered Investment Adviser

with a financial proposal; the investor requested clarification from the Division as to the existence of the company and details of its operations, since the results of the investor's private online inquiries conflicted with printed information given to him by the Investment Adviser. The Division was aware of the situation regarding the company in question and had been treating with the matter. This issue remains unresolved.

OTHER SURVEILLANCE ACTIVITY

In the course of its routine surveillance over the last financial year, the Division of Market Regulation and Surveillance became aware that a certain Securities Company was marketing and distributing an unregistered security in contravention of Section 69 of the Act, which prohibits the distribution of a security unless a prospectus has been filed with and a receipt issued by the Commission. Commission staff requested from the registrant an explanation of its activities and a description of the circumstances under which such promotion/marketing was done.

Also, the Division became aware that an Investment Adviser had been marketing/distributing an investment product in Trinidad and Tobago, for which a prospectus had not been issued. Further, the Commission's counterpart in Jamaica, the Financial Services Commission (FSC), had advised the Commission that the said Trinidad and Tobago Investment Adviser had been issued a warning by the FSC to desist from marketing/distributing a certain security in contravention of the securities legislation of Jamaica. In that matter, the Division requested an explanation of the Investment Adviser's activities and warned of the penalties applicable if a person is found to be in breach of the Act. The explanations given were accepted and no further action has since been taken.

LEGAL ADVISORY AND ENFORCEMENT

During the year ended September 30, 2004, the Legal Advisory and Enforcement Division concentrated its efforts on two main initiatives.

The first of these was the revision of the Act and certain provisions of the Companies Act, Chap. 81:01. The firm of Stikeman Elliott LLP, which had been engaged by the Commission to review the legislation, delivered its Interim Report in December, 2003. The Commission reviewed the report and draft legislation and provided its comments to the consultants.

In addition, a public consultation was held in March 2004, at which members of the public provided comments on the Interim report and draft legislation to the consultants and the Commission. The consultants considered all comments received and incorporated many of them in the draft final report. A draft final report and draft legislation were submitted by the consultants in September 2004. The Commission provided its final comments, and the Final Report and draft legislation were presented by the consultants to the Commission in December 2004.

The other initiative by the Division was the commencement of enforcement actions against 82 registrants that were in contravention of reporting obligations under the Act and the By-laws, as well as other contraventions of the Act. It is expected that the focus will be on enforcement over the next year or so.

These enforcement activities are consistent with the Commission's commitment to protect the local securities market from various forms of market abuse and enforce the relevant securities laws in a firm and fair manner.

The Division provided legal advice to the Commission on transactional, operational and policy issues

throughout the year under review.

RESEARCH

STUDY OF THE SECURITIES MARKET

During the period under review, the Division completed a study of the Trinidad and Tobago securities market, the main objective of which was to assess the growth and trends of the market during the period 1997-2003, and to make projections with respect to future developments.

Some of the major findings of the study were that during the period 1997-2003:

1. \$53 million in debt securities was raised;
2. \$2.8 billion in new equity capital issues was recorded;
3. \$299 million in stock options was registered on the Exchange;
4. Funds under management by the Collective Investment Schemes grew from \$3 billion to \$20 billion;
5. 45 of (19%) of company directors and 83% of listed companies shared directors. The 45 directors presided on the Boards of companies worth approximately \$71.4 billion dollars, or 63% of all the assets of firms surveyed.

INVESTOR EDUCATION

One of the core functions of the Commission is that of protecting investors. The education of investors via an Investor Education Programme has been identified as one of the major instruments for investor protection. The objectives of the Investor Education Programme have been identified as follows:

1. To inform market participants, researchers and the general public of the role and functions

of the Trinidad and Tobago Securities and Exchange Commission;

2. To improve financial literacy, so that individuals can make informed judgments and effective decisions on using and managing their money;
3. To inform individuals about risks associated with investments;
4. To educate investors about their rights and obligations and what the regulator can, or cannot do for them; and
5. Make available to the public, on the Commission's website, information covering some important fundamentals about the securities market and through its website links provide access to other information on the securities industry.

The Research Division has been given the task of implementing the investor education programme. During the review period the Division facilitated education sessions on the following topics:

1. The Impact of the FTAA/CSME on the Securities Market;
2. Investment as it relates to wealth creation.

The major focus of the Division in the area of investor education during the review period was, however, on developing a structured programme which would involve many different target groups, including, among others, market actors, members of professional bodies and the general investing public.

FEES PROPOSAL

During the review period, the Division also worked on a proposal to increase the fees charged for services rendered to market participants by the Commission.

The Commission consulted with various market actors with regard to the proposed fees. Feedback and comments were incorporated into a final draft which was submitted to the Ministry of Finance for approval.

OTHER RESEARCH DIVISION ACTIVITIES

Members of the Division collaborated with several organizations on various projects during the review period. Representatives of the Division sat on the Ministry of Finance Committee whose mandate was to develop a White Paper for the financial sector. The Commission now has representation from the Division on the implementation committee.

The Commission was also represented by the Division on a core project team of the Central Bank which treated with the reform of the payments and settlements systems.

Representatives of the Research Division also worked along with other staff members of the Eastern Caribbean Central Bank (ECCB) to develop a draft Code for Corporate Governance in the Caribbean through a working Caribbean Technical Working Group. This document is to be presented to the Caribbean Corporate Governance Forum in March 2005.

REGIONAL INSTITUTIONAL DEVELOPMENTS

TRINIDAD AND TOBAGO

In September 2004, the Commission approved the rules for automated trading on the Exchange. Specifically, the approved rules guide the operation of the Horizon Automated Trading System which will be established on the Exchange.

BAHAMAS

Over the reporting period the Bahamas International Securities Exchange continued its efforts geared towards institutional strengthening. Some of the major achievements included the following:

1. Obtaining approval for its affiliate membership with IOSCO, October 2003;
2. Listing the first international mutual fund, November 2003; and
3. Establishing an information sharing relationship with Reuters, July 2004.

BARBADOS

The International Monetary Fund completed a Financial System Stability Assessment of Barbados' financial system in February 2003. Two of the matters referred to in the assessment were the need for the expansion of the level of activity in the capital market of the country as well as the fact that the capital market has a low level of systemic risk.

CAYMAN ISLANDS

During the fiscal year 2003/2004 one of the major developments in the securities regulatory activity of the Cayman Islands was the completion of the International Monetary Fund's

review of the regulation and supervision of the country's financial services industry. The preliminary findings of the review highlighted the fact that the jurisdiction has "developed an intense awareness of the measures to combat money laundering and the financing of terrorism."

Also, in May 2004 a government appointed Mutual Funds Working Group presented 15 proposed amendments of the Mutual Funds Law to the Cabinet of the Government of Cayman Islands. These amendments are expected to enhance the regulatory framework of mutual funds legislation in the Cayman Island.

Other major developments which involved the Cayman Islands Stock Exchange (CSX) included:

1. Approval as an IOSCO Affiliate member, October 2003; and
2. Recognition of the CSX by the UK Inland Revenue, March 2004.

JAMAICA

The Jamaica Stock Exchange Council approved guidelines governing the release of company news. The approved guidelines were effective from January 1, 2004. Specifically, these guidelines are detailed as follows:

1. Company News should be released after 12:00 when the market is closed, whenever possible.
2. Company News should be released simultaneously to the Jamaica Stock Exchange and the news media. The release to the Jamaica Stock Exchange should be done in hard copy and via e-mail.

3. Company News should be released within a 24-hour period of approval by the Board or other relevant authority. Additionally, the Jamaica Stock Exchange should be notified ahead of time of the meeting that is scheduled to approve financial results and corporate actions.

APPENDICES

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- 34 APPENDIX III** Securities Registered by the Trinidad and Tobago Securities and Exchange Commission
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APPENDIX I SUMMARY OF WORLD OUTLOOK PROJECTIONS ANNUAL PERCENTAGE CHANGE IN REAL GDP

*PROJECTIONS AS AT SEPTEMBER 2004

WORLD	2001	2002	2003	*2004	*2005
	2.4	3.0	3.9	5.0	4.3
Advanced Economies	1.2	1.6	2.1	3.6	2.9
United States	0.8	1.9	3.0	4.3	3.5
Euro Area	1.6	0.8	0.5	2.2	2.2
Japan	0.4	-0.3	2.5	4.4	2.3
Other Advanced Economies	1.7	3.0	2.3	3.8	3.1
Other Emerging Market and Developing Countries	4.0	4.8	6.1	6.6	5.9
Regional Groups					
Africa	4.0	3.5	4.3	4.5	5.4
Central and Eastern Europe	0.2	4.4	4.5	5.5	4.8
Commonwealth of Independent States and Mongolia	6.4	5.4	7.8	8.0	6.6
Developing Asia	5.5	6.6	7.7	7.6	6.9
Middle East and Turkey	3.6	4.3	6.0	5.1	4.8
Western Hemisphere	0.5	-0.1	1.8	4.6	3.6
<i>European Union</i>	1.8	1.2	1.1	2.6	2.5

SOURCE: WORLD ECONOMIC OUTLOOK, WORLD ECONOMIC AND FINANCIAL SURVEYS, INTERNATIONAL MONETARY FUND, SEPTEMBER 2004

APPENDIX II REGISTER OF THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 - SEPTEMBER 30, 2004

BROKERS

- 1) Akan, Myrnelle
- 2) Balram, Kisraj
- 3) Clarke, Peter
- 4) Dhannyram, Kathleen
- 5) Johnson, Alvin
- 6) Mayers, Robert
- 7) Mohammed, Sita
- 8) Mullings, Donovan
- 9) Padmore, Winston
- 10) Ramkhelawan, Subhas
- 11) **Salvary, Brent***

DEALERS

- 1) RBTT Merchant Bank Limited
- 2) Trinidad and Tobago Unit Trust Corporation

INVESTMENT ADVISERS

- 1) AIC Advisory Limited
- 2) AIC Securities Limited
- 3) **Alpha Savings and Trust Limited**
- 4) Bourse Securities Limited
- 5) Caribbean Stockbrokers Limited
- 6) Colonial Life Insurance Company (Trinidad) Limited
- 7) Dynamic Equity Limited
- 8) Financial Concepts Limited

- 9) Funds International Limited
- 10) Global Financial Brokers Limited
- 11) Guardian Asset Management Limited
- 12) I.Q. Financial Services (Trinidad and Tobago) Limited
- 13) International Investments Brokerage Services (Trinidad) Limited
- 14) **ISCI Global Limited***
- 15) **Mondial (Trinidad) Limited***
- 16) **RBTT Asset Management Limited***
- 17) **RBTT Financial Advisors Limited***
- 18) Reliance Stockbrokers Limited
- 19) Sagicor Life Inc.
- 20) The Mercantile Banking and Financial Corporation Limited
- 21) Trinidad and Tobago Unit Trust Corporation
- 22) **Vega Capital Management Limited***
- 23) **Welthecon Investment Managers Limited***
- 24) West Indies Stockbrokers Limited

REPORTING ISSUERS

- 1) Addventure Capital Fund Limited
- 2) Agostini's Limited

- 3) Airports Authority of Trinidad and Tobago
- 4) Alstons Limited
- 5) Angostura Holdings Limited
- 6) Angostura Limited
- 7) ANSA McAL Limited
- 8) ANSA Merchant Bank Limited
- 9) Berger Paints Trinidad Limited
- 10) BWIA West Indies Airways Limited
- 11) Capital and Credit Merchant Bank Limited
- 12) Caribbean Commercial Bank Limited
- 13) Caribbean Communications Network Limited
- 14) Caroni (1975) Limited
- 15) Citibank (Trinidad and Tobago) Limited
- 16) Citicorp Merchant Bank Limited
- 17) CLICO Investment Bank Limited
- 18) Courts (Trinidad) Limited
- 19) **Dehring, Bunting and Golding Limited***
- 20) Development Finance Limited
- 21) Dynamic Equity Venture Fund Limited
- 22) Empresa Genedora de Electricidad Haina, S.A.

APPENDIX II REGISTER OF THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD ENDING SEPTEMBER 30, 2004 (CONTINUED)

REPORTING ISSUERS (CONTINUED)

- 23) First Caribbean International Bank Limited
- 24) First Citizens Bank Limited
- 25) First Citizens Trust and Asset Management Limited
- 26) Flavorite Foods Limited
- 27) FNCU Venture Capital Company Limited
- 28) Furness Trinidad Limited
- 29) Grace, Kennedy and Company Limited
- 30) Guardian Holdings Limited
- 31) Hotels and Resorts Limited
- 32) Intercommercial Bank Limited
- 33) Jamaica Money Market Brokers Limited
- 34) **Jamaica Public Service Company***
- 35) L.J. Williams Limited
- 36) Lever Brothers West Indies Limited
- 37) Mega Insurance Company Limited
- 38) Mora Ven Holdings Limited
- 39) National Commercial Bank Jamaica Limited
- 40) National Enterprises Limited
- 41) National Flour Mills Limited
- 42) **National Insurance Property Development Company Limited***
- 43) National Maintenance Training and Security Company Limited
- 44) Neal and Massey Holdings Limited
- 45) Nestle Trinidad and Tobago Limited
- 46) Phoenix Park Gas Processors Limited
- 47) Point Lisas Industrial Port Development Corporation Limited
- 48) Port Authority of Trinidad and Tobago
- 49) Prestige Holdings Limited
- 50) Public Transport Service Corporation
- 51) RBTT Bank Limited
- 52) RBTT Financial Holdings Limited
- 53) RBTT Merchant Bank Limited
- 54) Readymix (West Indies) Limited
- 55) Republic Bank Limited
- 56) Royal Skandia Life Assurance Limited
- 57) Sagicor Financial Corporation
- 58) Scotiabank Trinidad and Tobago Limited
- 59) St. Christopher Air and Sea Ports Authority
- 60) St. Kitts Urban Development Corporation Ltd
- 61) TCL Holdings Limited
- 62) TCL Leasing Service Limited

- 63) TCL Service Limited
- 64) Telecommunications Services of Trinidad and Tobago Limited
- 65) The Barbados Shipping and Trading Company Limited
- 66) The Home Mortgage Bank
- 67) The National Stadium Football Company Limited
- 68) The Vehicle Maintenance Corporation of Trinidad and Tobago
- 69) The West Indian Tobacco Company Limited
- 70) Tourism and Industrial Development Company of Trinidad and Tobago Limited
- 71) Trinidad and Tobago Unit Trust Corporation
- 72) Trinidad Cement Limited
- 73) Trinidad Publishing Company Limited
- 74) Urban Development Corporation of Trinidad and Tobago Limited
- 75) Valpark Shopping Plaza Limited
- 76) Water and Sewerage Authority

SECURITIES COMPANIES

(WITH CLASSES OF BUSINESS INDICATED)

- 1) **AIC Capital Market Brokers Limited*** (Dealer, Underwriter, Investment Adviser)
- 2) **AIC Securities Limited*** (Broker)
- 3) ANSA Merchant Bank Limited (Dealer, Underwriter, Investment Adviser)
- 4) Bourse Securities Limited (Broker, Dealer, Underwriter, Investment Adviser)
- 5) Caribbean Money Market Brokers Limited (Dealer, Underwriter, Investment Adviser)
- 6) Caribbean Stockbrokers Limited (Broker)
- 7) CLICO Investment Bank Limited (Underwriter, Investment Adviser)
- 8) CMMB Securities Limited (Broker, Dealer, Underwriter, Investment Adviser)
- 9) Development Finance Limited (Dealer, Underwriter, Investment Adviser)
- 10) First Citizens Securities Trading Limited (Dealer, Underwriter, Investment Adviser)
- 11) First Citizens Trust and Asset Management Limited (Dealer, Underwriter, Investment Adviser)

- 12) General Finance Corporation Limited (Dealer, Underwriter, Investment Adviser)
- 13) **Intercommercial Bank Limited*** (Dealer, Underwriter, Investment Adviser)
- 14) Intercommercial Trust and Merchant Bank Limited (Dealer, Underwriter, Investment Adviser)
- 15) RBTT Merchant Bank Limited
- 16) Reliance Stockbrokers Limited (Broker)
- 17) Republic Bank Limited (Dealer, Underwriter, Investment Adviser)
- 18) Republic Finance and Merchant Bank Limited (Underwriter)
- 19) Scotiabank Trinidad and Tobago Limited (Underwriter)
- 20) Scotiatrust and Merchant Bank Trinidad and Tobago Limited (Dealer, Underwriter, Investment Adviser)
- 21) West Indies Stockbrokers Limited (Broker)

SELF-REGULATORY ORGANIZATIONS

- 1) The Trinidad and Tobago Stock Exchange Limited
- 2) The Trinidad and Tobago Central Depository

TRADER

- 1) **Basdeo, Roshan***
- 2) Bernard, Judy
- 3) Fadahunsi, Osu Olayiwola
- 4) Pariagh, Edgar
- 5) Ramnath-Singh, Gail
- 6) Savary, Hilary
- 7) **Seebaran, Madree***
- 8) **St. Louis, Leslie***

UNDERWRITERS

- 1) Citibank (Trinidad and Tobago) Limited
- 2) Citicorp Merchant Bank Limited
- 3) First Citizens Bank Limited
- 4) RBTT Merchant Bank Limited
- 5) Sagicor Life Incorporated
- 6) The Mercantile Banking and Financial Corporation Limited
- 7) Trinidad and Tobago Unit trust Corporation

* Registered with the Commission during the period October 1, 2003 to September 30, 2004.

APPENDIX III SECURITIES REGISTERED BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 - SEPTEMBER 30, 2004

ISSUER	SECURITY REGISTERED	AMOUNT/VALUE OF SECURITY	EFFECTIVE DATE (M/D/Y)
1. Jamaica Public Service Company Limited	12% Fixed Rate Note due 2010	US\$30 Million	10/2/03
2. RBTT Merchant Bank Limited	Certificates of Interest in Jamaica Public Service Company Limited 12% Fixed Rate Note due 2010	US\$31,277,400 (face value)	10/2/03
3. Bourse Securities Limited	Savinvest Individual Retirement Plan (Prospectus receipted)		10/2/03
4. Bourse Securities Limited	Savinvest Group Retirement Plan (Prospectus receipted)		10/2/03
5. Guardian Holdings Limited	Ordinary stock units (re: transfer of 200,000 shares in Guardian Insurance and 20,000 shares in Guardian General Ltd by RBTT)	29,941,117	10/28/03
6. Grace, Kennedy and Company Limited	Ordinary Stock Units (pursuant to Employee Share Scheme)	33,575 units	11/6/03
7. Grace, Kennedy and Company Limited	Ordinary Stock Units (exchange of shares by shareholders of a subsidiary)	10,494 units	11/6/03
8. Government of Trinidad and Tobago	Government of Trinidad and Tobago Bond Issue: Series 1 – \$250 Million 5.9% Fixed Rate Callable Bond due 2013; Series 2 – \$250 Million 6.25% Fixed Rate Callable Bond due 2018	TT\$500 Million	11/27/03
9. Guardian Holdings Limited	6.20% Fixed Rate Medium Term Note due 2008	TT\$94,500,000	11/27/03
10. Government of Jamaica	9% Fixed Rate Bond due 2008	US\$50 Million	11/27/03
11. Sagicor Financial Corporation	Series "A" Common Shares	29,748 units	11/27/03
12. Citicorp Merchant Bank Limited	Certificates of Interest in Nevis Island Administration EC\$18,650,000 7.95% Fixed Rate Bond due 2018 (Supplementary Prospectus Receipted)	EC\$32,364,743.76 (face value)	11/27/03
13. Water and Sewerage Authority	Loan Note Instrument – 120 days	TT\$144,057,500	12/10/03
14. Grace, Kennedy and Company Limited	Ordinary Stock Units (pursuant to an Employee Share Scheme)	281,079 units	12/10/03
15. RBTT Merchant Bank Limited	Series A 8 % Participation Certificates in Government of Jamaica US\$50 Million 9% Fixed Rate Bond due 2008	TT\$315,000,000	01/15/04
16. Port Authority of Trinidad and Tobago	Loan Note Instrument 5.775% – 120 days	TT\$232,389,000 (Face Value)	01/28/04
17. Prestige Holdings Limited	Ordinary Stock Units (pursuant to a Management Stock Option Plan)	500,000 units	02/19/04
18. Nevis Island Administration	8% Fixed Rate Bond due 2008	US\$10,000,000	03/02/04

APPENDIX III SECURITIES REGISTERED BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 - SEPTEMBER 30, 2004 (CONTINUED)

ISSUER	SECURITY REGISTERED	AMOUNT/VALUE OF SECURITY	EFFECTIVE DATE (M/D/Y)
19. Grace, Kennedy and Company Limited	Ordinary Stock Units (pursuant to Employee Share Scheme)	60,000 units	03/04/04
20. Grace, Kennedy and Company Limited	Ordinary Stock Units (pursuant to Employee Share Scheme)	100,000 units	03/11/04
21. Caroni (1975) Limited	5.9% Fixed Rate Bond (series 1) due 2013	TT\$319,000,000	03/18/04
22. Caroni (1975) Limited	6.25% Fixed Rate Bond (series 2) due 2018	TT\$400,000,000	03/18/04
23. RBTT Merchant Bank Limited	Certificates of Interest in Caroni (1975) Limited TT\$319,000,000 5.9% Fixed Rate Bond due 2013	TT\$312,256,877.10 (face value)	03/18/04
24. RBTT Merchant Bank Limited	Certificates of Interest in Caroni (1975) Limited TT\$400,000,000 6.25% Fixed Rate Bond due 2018	TT\$419,677,688.36 (face value)	03/18/04
25. Grace, Kennedy and Company Limited	Ordinary Stock Units (pursuant to an Employee Share Scheme)	172,026 units	03/18/04
26. The Barbados Shipping and Trading Company Limited	Ordinary Shares (540,000 pursuant to Employee Share Purchase Plan; and 140,000 pursuant to Executive Stock Option Plan)	680,000 units	03/18/04
27. The Barbados Shipping and Trading Company Limited	Ordinary Shares pursuant to Executive Stock Option Plan	36,000 units	03/18/04
28. The Barbados Shipping and Trading Company Limited	Ordinary Shares (195,500 units pursuant to Employee Share Purchase Plan; 88,674 units pursuant to Executive Stock Option Plan.	284,174 units	03/18/04
29. The Barbados Shipping and Trading Company Limited	Ordinary Shares (184,426 units pursuant to Executive Stock Option Plan; 5,000 units pursuant to Employee Share Purchase Plan; and 84,201 units pursuant to 'Shares in Lieu of Bonus' scheme for 2003.)	273,627 units	03/18/04
30. National Insurance Property Development Company Limited	7.3% Fixed Rate Bond due 2002-2014	TT\$265,282,896.25	04/15/04
31. The Barbados Shipping and Trading Company Limited	Ordinary Shares pursuant to Executive Stock Option Plan	48,334 units	04/15/04
32. Republic Bank Limited	Zero Coupon Certificates of Interest in National Insurance Property Development Company Limited TT\$265,282,896.25 7.3% Fixed Rate Bond due 2002-2014	TT\$345,305,482.06 (face value)	04/15/04
33. The Barbados Shipping and Trading Company Limited	Ordinary Shares (pursuant to Executive Stock Option Plan and Employee Share Purchase Plan)	62,000 units	05/04/04
34. Guardian Holdings Limited	Ordinary Shares (pursuant to Executive Stock Option Plan)	890,077 units	05/04/04
35. Citicorp Merchant Bank	5.85% Fixed Rate Bond due 2019	TT\$145,000,000	05/07/04

APPENDIX III SECURITIES REGISTERED BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 - SEPTEMBER 30, 2004 (CONTINUED)

	ISSUER	SECURITY REGISTERED	AMOUNT/VALUE OF SECURITY	EFFECTIVE DATE (M/D/Y)
36.	Water and Sewerage Authority	Certificates of Interest in Water and Sewerage Authority TT\$145,000,000 5.85% Fixed Rate Bond due 2019	TT\$218,754,937.37 (face value)	05/07/04
37.	Colonial Life Insurance Company Limited	Colonial Life Family of Funds: Colonial Life Power Fund, Colonial Life Core Fund and Colonial Life Shield Fund (Prospectus received)		05/27/04
38.	Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to Directors' Option Scheme)	24,000 units	05/27/04
39.	Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to Directors' Option Scheme)	137,621 units	05/27/04
40.	ANSA McAl Limited	Ordinary Shares (pursuant to Executive Stock Option Scheme)	1,210,000 units	05/27/04
41.	BWIA Limited	Ordinary Shares (pursuant to a 27 for 1 Rights Issue at TT0.20 per share)	1,283,408,712 units	06/03/04
42.	Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to Directors' Stock Option Plan)	24,000 units	06/21/04
43.	The Barbados Shipping and Trading Company Limited	Ordinary Shares (pursuant to Directors' Stock Option Plan and Employee Share Purchase Plan)	34,336 units	06/21/04
44.	Bourse Securities Limited	Savinvest US\$ Capital Growth Fund (Prospectus received)		06/21/04
45.	First Citizens Trust and Asset Management Limited	Paria Fund (Prospectus received)		06/21/04
46.	Caroni (1975) Limited	5.55% Fixed Rate Bond due 2014	TT\$131,000,000	06/21/04
47.	Citicorp Merchant Bank Limited	Certificates of Participation in Caroni (1975) Limited TT\$131,000,000 5.55% Fixed Rate Bond due 2014	TT\$169,170,125 (face value)	06/21/04
48.	First Citizens Bank Limited	First Citizens Bank Limited Group Retirement Provider Plan (Prospectus received)		07/05/04
49.	ANSA Finance and Merchant Bank Limited	Ordinary Shares as purchase consideration for shares in Trinidad and Tobago Insurance Limited (TATIL)	54,605,263 units	07/06/04
50.	The Barbados Shipping and Trading Company Limited	Ordinary Shares (pursuant to its Executive Stock Option Plan)	4,998 units	07/20/04
51.	Government of Trinidad and Tobago	6.15% Fixed Rate Bond due 2019	TT\$300,000,000	07/22/04
52.	Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to its Director's Stock Option Plan)	21,713 units	07/29/04
53.	BWIA West Indies Airways Limited	6% Fixed Rate Bond due 2014	US\$5,000,000	08/03/04
54.	AIC Financial Group Limited	AIC Trinidad and Tobago Group of Funds (Prospectus received)		08/03/04

APPENDIX III SECURITIES REGISTERED BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 - SEPTEMBER 30, 2004 (CONTINUED)

ISSUER	SECURITY REGISTERED	AMOUNT/VALUE OF SECURITY	EFFECTIVE DATE (M/D/Y)
55. First Citizens Trust and Asset Management Limited	U.S Dollar denominated Energy Fund (Prospectus receipted)		08/03/04
56. AIC Financial Group Limited	AIC Corporate Fund Inc. (Prospectus receipted)		08/03/04
57. Trinidad Cement Limited	6.87% Fixed Rate Bond due 2014	TT\$346,500,000	08/19/04
58. Citicorp Merchant Bank Limited	Certificates of Interest in Trinidad Cement Limited TT\$346,500,000 6.87% Fixed Rate Bond due 2014	TT\$471,473,887.50 (face value)	08/19/04
59. Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to its Director's Stock Option Plan)	48,000 units	09/09/04
61. RBTT Financial Holdings Limited	Ordinary Shares (pursuant to its Share Option Plan for Non-Directors' and Executive Management)	394,312 units	09/15/04
62. Government of Trinidad and Tobago	6% Fixed Rate Bond due 2014	TT\$520,000,000	09/15/04
63. Government of Trinidad and Tobago	6.1% Fixed Rate Bond due 2019	TT\$300,000,000	09/15/04
64. National Flour Mills Limited	TT\$90,000,000 Fixed Rate Bond: Class A - 5.85% Fixed Rate Serial Bond due 2009	TT\$40,000,000	09/28/04
65. National Flour Mills Limited	TT\$90,000,000 Fixed Rate Bond: Class B - 5.94% Fixed Rate Serial Bond due 2011	TT\$40,000,000	09/28/04
66. National Flour Mills Limited	TT\$90,000,000 Fixed Rate Bond: Class C - 6.18% Fixed Rate Serial Bond due 2014	TT\$10,000,000	09/28/04
67. Port Authority of Trinidad and Tobago	TT\$340,400,000 Fixed Rate Bond: Class A - 5.775% Fixed Rate Bond due March 2019	TT\$228,000,000	09/28/04
68. Port Authority of Trinidad and Tobago	TT\$340,400,000 Fixed Rate Bond: Class B - 6.05% Fixed Rate Bond due September 2019	TT\$112,400,000	09/28/04
69. Citicorp Merchant Bank Limited	Certificates of Participation in Port Authority of Trinidad and Tobago TT\$340,400,000 Fixed Rate Bond due 2019	TT\$491,854,050 (face Value)	09/28/04
70. The Government of St. Vincent and the Grenadines	7% Fixed Rate Bond due 2014	US\$15,000,000	09/28/04
71. Scotiabank Trinidad and Tobago Limited	Certificates of Interest in the Government of St. Vincent and the Grenadines US\$15,000,000 7% Fixed Rate Bond due 2014	US\$20,906,250 (face value)	09/28/04
72. Grace, Kennedy and Company Limited	Ordinary Shares (pursuant to its Director's Stock Option Plan)	48,000 units	09/30/04

APPENDIX IV PROSPECTUSES RECEIPTED BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD OCTOBER 1, 2003 – SEPTEMBER 30, 2004

ISSUER	PROSPECTUS REGISTERED	EFFECTIVE DATE (MM/DD/YY)
Bourse Securities Limited	Savinvest Individual Retirement Plan	10/2/03
Bourse Securities Limited	Savinvest Group Retirement Plan	10/2/03
Colonial Life Insurance Company	Colonial Life Family of Funds: Colonial Life Power Fund, Shield Fund, Core Fund Unit Series Number 6	5/27/04
Bourse Securities Limited	Savinvest US\$ Capital Growth Fund	6/21/04
First Citizens Trust and Asset Management Limited	Paria Fund	6/21/04
First Citizens Bank Limited	First Citizens Bank Limited Group Retirement Provider Plan	7/5/04
AIC Financial Group Limited	AIC Trinidad and Tobago Group of Funds	8/3/04
First Citizens Trust and Asset Management Limited	U.S Dollar denominated Energy Fund	8/3/04
AIC Financial Group Limited	AIC Corporate Fund Inc.	8/3/04

AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS 

To the members of
The Trinidad and Tobago Securities and Exchange Commission

We have audited the accompanying balance sheet of The Trinidad and Tobago Securities and Exchange Commission as at 30 September 2004, and the related income and expenditure account, changes in government subvention and cash flow statement for the year then ended, as set out on pages 40 to 42. These financial statements are the responsibility of the Commission's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Commission as at 30 September 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
Port of Spain
Trinidad, West Indies
January 13, 2005

BALANCE SHEET

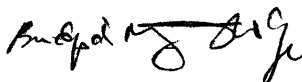
	Notes	30 September	
		2004	2003
		\$	\$
ASSETS			
Non-Current Assets			
Equipment and fixtures	2	1,374,801	1,496,230
Current Assets			
Cash at bank		3,023,324	535,185
Fixed deposits		4,841,749	4,669,214
Prepayments and other assets		187,339	77,815
		8,052,412	5,282,214
Total Assets		9,427,213	6,778,444
GOVERNMENT SUBVENTION AND LIABILITIES			
Government Subvention		8,272,149	5,758,879
Current Liabilities			
Accrued charges and other liabilities	3	1,155,064	1,016,752
Taxation payable		—	2,813
		1,155,064	1,019,565
Total Government Subvention and Liabilities		9,427,213	6,778,444

The accounting policies on page 43 and the notes on pages 44 and 45 form an integral part of these financial statements.

On 13 January 2005, the Commissioners of The Trinidad and Tobago Securities and Exchange Commission authorised these financial statements for issue.



Commissioner



Commissioner



Chairman

INCOME AND EXPENDITURE ACCOUNT

	Note	Year Ended 30 September	
		2004	2003
		\$	\$
Income			
Registration fees		1,312,534	814,500
Interest		187,882	102,872
Other income		240	20,364
		<u>1,500,656</u>	<u>937,736</u>
Expenses			
Administration		(1,856,742)	(2,649,833)
Finance		(2,797)	(1,878)
Operating		<u>(6,403,096)</u>	<u>(5,765,943)</u>
		<u>(8,262,635)</u>	<u>(8,417,654)</u>
Deficit Before Taxation		(6,761,979)	(7,479,918)
Taxation	5	(2,759)	(6,326)
Net Deficit		<u>(6,764,738)</u>	<u>(7,486,244)</u>

STATEMENT OF CHANGES IN GOVERNMENT SUBVENTION

	Year Ended 30 September	
	2004	2003
	\$	\$
Balance at beginning of year	5,758,879	5,853,130
Net deficit for the year	(6,764,738)	(7,486,244)
Subvention receipts from Government of Trinidad and Tobago	9,278,008	7,391,993
Balance at end of year	<u>8,272,149</u>	<u>5,758,879</u>

The accounting policies on page 43 and the notes on pages 44 and 45 form an integral part of these financial statements.

CASH FLOW STATEMENT

	Year Ended 30 September	
	2004	2003
	\$	\$
Operating Activities		
Deficit before taxation	(6,761,979)	(7,479,918)
Adjustment to reconcile deficit to net cash from operating activities:		
Depreciation	324,171	387,559
Net change in operating assets and liabilities	28,787	202,540
	(6,409,021)	(6,889,819)
Taxation paid net of tax refund	(5,572)	(1,997)
Net Cash Outflow From Operating Activities	(6,414,593)	(6,891,816)
Investing Activities		
Purchase of equipment and fixtures	(202,742)	(50,059)
Net Cash Outflow From Investing Activities	(202,742)	(50,059)
Financing Activity		
Proceeds from Government subvention	9,278,008	7,391,993
Increase In Cash And Cash Equivalents	2,660,673	450,118
Cash And Cash Equivalents		
At beginning of year	5,204,400	4,754,282
Increase	2,660,673	450,118
End of year	7,865,073	5,204,400
Represented By:		
Cash	3,023,324	535,186
Fixed deposits	4,841,749	4,669,214
	7,865,073	5,204,400

The accounting policies on page 43 and the notes on pages 44 and 45 form an integral part of these financial statements.

ACCOUNTING POLICIES | 30 SEPTEMBER 2004

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. These financial statements are prepared under the historical cost convention.

b Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income and expenditure account. Such balances are translated at year-end exchange rates.

c Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, other assets and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

d Equipment and fixtures

All equipment is stated at historical cost less depreciation. Depreciation is calculated on the reducing balance basis to write off the cost of each asset to their residual values over their estimated useful life as follows:

Office equipment	-	10% - 25%
Computer equipment	-	25%
Fixtures and fittings	-	10%
Motor Vehicle	-	25%

Gains and losses on disposal of equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

e Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and fixed deposits held at banks.

f Pension

The Commission does not operate a pension scheme and has no contractual obligation to pay pensions. However, payments are made to the government pension scheme for seconded officers of the Commission.

g Deferred income taxes

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

h Revenue recognition

Income is recognised upon receipt of fees. Interest income is recognised as it accrues to the Commission.

i 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.

The provision for gratuity is calculated as 20% of the gross salary for the general manager and 15% of the gross salaries for all the other employees. All employees are hired on a contract basis and the gratuity is paid at the end of the contract term.

NOTES TO THE FINANCIAL STATEMENTS | 30 SEPTEMBER 2004

1 Incorporation And Principal Activity

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

2 Equipment And Fixtures

	Office Equipment	Computer Equipment	Fixtures and Fittings	Total
	\$	\$	\$	\$
Year ended 30 September 2004				
Opening net book amount	384,064	815,547	296,619	1,496,230
Additions	81,418	117,437	3,887	202,742
Depreciation	(70,541)	(220,417)	(33,213)	(324,171)
Closing net book amount	394,941	712,567	267,293	1,374,801
At 30 September 2004				
Cost	811,257	2,145,050	446,302	3,402,609
Accumulated depreciation	(416,316)	(1,432,483)	(179,009)	(2,027,808)
Net book amount	394,941	712,567	267,293	1,374,801
At 30 September 2003				
Cost	729,839	2,027,614	442,415	3,199,868
Accumulated depreciation	(345,775)	(1,212,067)	(145,796)	(1,703,638)
Net book amount	384,064	815,547	296,619	1,496,230

3 Accrued Charges And Other Liabilities

	2004	2003
	\$	\$
Provision for gratuity	1,097,129	835,467
Provision for foreign travel	31,652	56,286
Other accrued charges	26,283	124,999
	1,155,064	1,016,752

4 Deferred Tax Asset

Tax losses of approximately \$308,000 (2003 – 330,000) have not been recognised for the purpose of deferred taxation because of the uncertain timing of their recoverability.

NOTES TO THE FINANCIAL STATEMENTS | 30 SEPTEMBER 2004 (Continued)

		2004	2003
		\$	\$
5 Taxation			
Prior year under provision	- Business levy	(581)	(3,513)
	- Green fund levy	(290)	—
Business levy		(1,259)	(1,875)
Green fund levy		(629)	(938)
		(2,759)	(6,326)

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

Loss before taxation	(6,761,979)	(7,479,918)
Corporation tax at the statutory rate of 30%	(2,028,594)	(2,243,975)
Expenses not deductible for tax purposes	1,784	631
Expenses reimbursed by the government	2,029,423	2,245,873
Other allowances	1,184	20,060
Business levy	(1,259)	(1,875)
Tax losses utilised	(3,797)	(22,589)
Tax losses write back	—	—
Prior year under provision	(871)	(3,513)
Green fund levy	(629)	(938)
Current tax charge/(credit)	(2,759)	(6,326)

b) The Commission is required to pay Business Levy at 0.20% of total revenue if it exceeds \$200,000 in the year of income. Business Levy only takes effect when it exceeds the current corporation tax liability.

c) The Commission has tax losses of approximately \$1,025,000 (2003 - \$837,000) available for set off against future taxable profits. These losses have not yet been approved by the Board of Inland Revenue.

6 Capital Commitment

The Commission has made payment for the purchase of a motor vehicle and computer equipment amounting to \$155,891. This has been included in prepayment in the current year.

7 Financial Instruments

(i) Credit risk

The Commission has no significant concentration of credit risk.

(ii) Fair values

The carrying amount of the following financial assets and liabilities approximate to their fair value: cash at bank, fixed deposits, other assets and accrued charges and other liabilities.

ADDITIONAL INFORMATION

	2004	2003
	\$	\$
Administrative Expenses		
Audit fee	28,703	20,041
Commissioners' fee	225,091	233,386
Consultancy	1,222,606	2,157,520
Legal and professional fees	380,342	238,886
	1,856,742	2,649,833
Finance Expenses		
Gain on foreign exchange	—	—
Bank service charges	2,797	1,878
	2,797	1,878
Operating Expenses		
Advertising	184,560	141,992
Computer	17,697	433,810
Depreciation	324,170	387,560
Entertainment	23,792	8,244
Gratuity	429,673	413,490
Investigation	29,603	—
Insurance	34,524	26,290
Investor education	—	858
Janitorial	5,628	5,909
Journals	57,381	32,025
Library	32,859	21,481
Meetings	126,240	10,070
Sundries	17,415	41,446
Office repairs	233	2,338
Office supplies	135,548	95,681
Overseas travel	—	98,551
Pension contributions	33,109	77,667
Postage and delivery	7,393	4,201
Printing and reproduction	47,747	33,963
Recruiting	19,742	2,565
Rent	694,314	637,762
Repairs	4,018	4,947
Salaries and national insurance	3,390,318	2,901,095
Seminars	239,606	62,539
Subscription	65,664	42,524
Telephone	168,191	183,458
Training	313,671	95,477
	6,403,096	5,765,943

For additional copies of this report, write to:

Trinidad and Tobago Securities and Exchange Commission
12th Floor, Central Bank Tower, Eric Williams Plaza
Independence Square, Port of Spain
Trinidad, West Indies

T: (868) 624-2991 / 3017 / 6708 / 625-8508

F: (868) 624-2995

E: ttsec@ttsec.gov.tt

W: www.ttsec.gov.tt

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