



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

**IN THE MATTER OF SECTION 40
OF THE SECURITIES INDUSTRY ACT, 1995
AND**

**IN THE MATTER OF THE AMENDMENT OF
THE TRINIDAD AND TOBAGO STOCK EXCHANGE RULES**

**NOTICE OF PROPOSED AMENDMENT TO THE STOCK
EXCHANGE RULES**

TAKE NOTICE that the Trinidad and Tobago Stock Exchange Limited (“the Exchange”) has submitted a concise statement of substance and purpose in accordance with section 40 of the Securities Industry Act, 1995 for an amendment to its rules. The Exchange is proposing to **amend rules 204 (1) and 203 (4)** with respect to ex-condition dealing.

Following is the statement of substance and purpose submitted by the Exchange.

THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED

STATEMENT OF SUBSTANCE AND PURPOSE

August 25, 2008

EXISTING RULES PROPOSED FOR AMENDMENT

Stock Exchange Rule – 203 (1): Ex-Condition Dealing

Securities included in the Official List shall be made ex-dividend three (3) business days or any other period so determined by the Exchange, before the books close date. If the Stock Exchange does not receive information in time to enable a security to be made ex-dividend for the stated period, the securities will be made ex-dividend the first dealing day after receipt of such information.

Stock Exchange Rule – 203 (4): Rights, capitalization and other distributions

All registered securities which are the subject of a rights or capitalization issue or other distribution, shall be made ex three business days or any other period so determined by the Exchange, before the books close date.

STATEMENT OF SUBSTANCE AND PURPOSE

Proposed Amendment

An investor purchasing shares on the ex-condition date is not entitled to the dividends or any rights to the security as at the record date, and conversely a shareholder who is on record as at that date is entitled to the dividend.

In the current situation, given the settlement cycle for the TTSE (T+3), it is possible for an investor purchasing shares on the first day of ex-condition dealing to appear on the register on the record date. Given that an investor should not buy ex-condition and still be on record, it is necessary to decrease the number of ex-condition days to one day less than the settlement cycle to allow such a trade to settle after the record date, and as a result the buyer will not appear on record as at the record date.

The Exchange is therefore seeking to reduce the period for ex-condition dealing of securities from three business days to two business days. It is proposed that securities be made ex-dividend, ex-capitalization, or ex-rights as applicable for the two (2) business days immediately preceding the record date or the date of the closing of the register/transfer books

The proposed amendments are intended to bring our rule in conformity with international standards, as well as in compliance with the Companies Act, 1995.

The current TTSE rule does not make reference to a record date; instead it speaks to a books close date and also gives the Exchange discretion in setting the ex-condition date. This is potentially confusing. The amendment makes explicit reference to a record date as defined in Section 110 of the Companies Act as follows:

If a company fails to specify a record date, but gives a books close date, then this date becomes the record date.

It is proposed that the Books Close Date and the Record Date are one and the same in the absence of a specified Record Date.

Implementation

In order to implement these rule changes, *Stock Exchange Rule – 203 (1) and (4)* will need to be amended and are presented for your consideration.

Proposed Stock Exchange Rule – 203 (1): Ex-Condition Dealing

Securities included in the Official List shall be made ex-dividend for the two (2) business days immediately preceding the record date or if no record date has been established, the date of the closing of the register/transfer books.

Proposed Stock Exchange Rule – 203 (4): Rights, capitalization and other distributions

All registered securities which are the subject of a rights or capitalization issue or other distribution shall be made ex for the two (2) business days immediately preceding the record date or if no record date has been established, the date of the closing of the register/transfer books.

“Books Close Date” means the date on which the Company closes its Register and makes up a list of shareholders entitled to a distribution as of that date

AND TAKE NOTICE that the Trinidad and Tobago Securities and Exchange Commission is inviting any interested persons to submit written comments on the proposed amendments no later than **September 15, 2008** to the Deputy General Manager, Trinidad and Tobago Securities and Exchange Commission, 57-59 Dundonald Street, Port of Spain.

Dated this 3rd day of September, 2008

Charles de Silva
Deputy General Manager
Trinidad and Tobago Securities
and Exchange Commission