



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

In the Matter of

THE SECURITIES INDUSTRY ACT, 1995

And

**THE AMENDMENT TO THE RULES OF THE TRINIDAD AND TOBAGO
STOCK EXCHANGE LIMITED**

NOTICE

Dated this 15th day of December 2008

TAKE NOTICE that on the 14th day of October 2008 the Trinidad & Tobago Stock Exchange Limited (“the Stock Exchange”) deemed to be duly registered as a Self-Regulatory Organization under section 34 of the Securities Industry Act, 1995 (“the SIA”) filed a copy of the proposed amendments to the Stock Exchange Rule 227 and Horizon Trading Rule 10.2 and a concise statement of the substance and purpose for the amendments pursuant to section 40(1) of the SIA for approval with the Trinidad and Tobago Securities and Exchange Commission (“the Commission”);

AND TAKE FURTHER NOTICE that the intention of the proposed amendments was to establish the minimum trading volume required to change the closing price of a

security on the Stock Exchange and to avoid volatile fluctuations in the price of a security on small trade volumes;

AND TAKE FURTHER NOTICE that after consideration of the proposed amendments, the Commission at its meeting of Thursday, October 16, 2008 issued a **temporary order** under section 133(1)(c) of the SIA approving the immediate implementation of the proposed amendments to the Stock Exchange Rules and the Horizon Trading Rules for a period not exceeding 60 days while the Commission invites interested persons to submit written comments on the proposed amendments in keeping with section 40 (2) of the SIA;

AND TAKE FURTHER NOTICE that under section 134(1) of the SIA, the Commission shall, before making a **final order**, provide a reasonable opportunity for a hearing to each person directly affected and shall give reasonable notice to each such person and to any interested self-regulatory organization;

AND TAKE FURTHER NOTICE that the proposed amendments to the Stock Exchange Rule 227 and the Horizon Trading Rule 10.2 have been approved by the Commission as follows:

By repealing and replacing for a period of 60 days, the following Stock Exchange Rule:

Existing Rule 227 Closing of Market

- 1) The closing price of a security listed on the Exchange is determined by using the price of the last transaction executed in the primary market for the security.
- 2) If a security does not trade on any designated trading session, the closing price of that security will be the same as its last traded price in the primary market.

with the New Rule 227: Closing of Market

- 1) *The closing price of a security listed on the Exchange is determined by using the price of the last transaction executed in the primary market for the security, subject to the Board Lot structure below. By way of example, for a share priced between \$0 - \$4.00, the price at which the last transaction was executed with a volume of 5,000 shares or more would be the closing price used.*

Price Range (\$)	Volume of Shares
\$0 - \$4.00	5,000 shares
\$4.01 - \$10.00	3,000 shares
\$10.01 - \$20.00	2,000 shares
\$20.01 - \$50.00	1,000 shares
\$50.01 and above	500 shares

- 2) *If a security does not trade in any designated trading session, the closing price of that security will be the same as the closing price of the previous day.*

By repealing and replacing for a period of 60 days the following Horizon Trading Rule:

10.2 Market Close (CLS)-CLS1

Closing price calculations

Market Close (CLS)

At the close, the Exchange does not allow orders to be entered, processed or matched. Orders are not removed at market close. They are only removed when the trading system is brought down.

The closing price of a listed security is calculated using the following method:

CLS1: **The last trade price.** The close price is the last trade price in the symbol's primary market. Symbols that do not trade on a particular day use their last traded price from their primary market as their closing price.

with New Horizon Trading Rule 10.2 Market Close (CLS)

The closing price of a security listed on the Exchange is determined by using the price of the last transaction executed in the primary market for the security, subject to the Board Lot structure below. By way of example, for a share priced between \$0 - \$4.00, the price at which the last transaction was executed with a volume of 5,000 shares or more would be the closing price used.

Price Range (\$)	Volume of Shares
<i>\$0 - \$4.00</i>	<i>5,000 shares</i>
<i>\$4.01 - \$10.00</i>	<i>3,000 shares</i>
<i>\$10.01 - \$20.00</i>	<i>2,000 shares</i>
<i>\$20.01 - \$50.00</i>	<i>1,000 shares</i>
<i>\$50.01 and above</i>	<i>500 shares</i>

If a security does not trade in any designated trading session, the closing price of that security will be the same as the closing price of the previous day.

AND TAKE FURTHER NOTICE that several Notices were published in the daily newspapers inviting public comment on the revised rules and advising of the date of the hearing on Thursday, December 4, 2008;

AND TAKE FURTHER NOTICE that the Commission conducted its hearing on Thursday, December 4, 2008 at 10:30 AM in the Conference Room (First Floor) at its offices situated at Numbers 57 to 59 Dundonald Street, Port of Spain;

AND TAKE FURTHER NOTICE that the Commission after its deliberations **HAS AGREED** to the issuance of a final order in respect of the revised TTSE Rule 227 and the Horizon Trading Rule 10.2 **subject to the following;**

- a. The re-submission by the TTSE of a revised proposal for determining the closing price that ensures that:
 - i. Odd lot sized transactions, however, conducted and managed do not influence or lead the valuations of the market;
 - ii. No administrative procedures are required or utilized to:
 1. determine closing prices;
 2. calculate market indices.
- b. To extend the temporary order permitting the operation of the present proposal by the TTSE for the operation of the revised rules from its current deadline date of December 16, 2008 to the new date of **December 31, 2008** at which time the temporary rules will expire and the existing TTSE Rule 227 and the Horizon Trading Rule 10.2 will once again be in effect;

AND TAKE FURTHER NOTICE that the DECISION of the Hearing of the Commission held on Thursday, December 4, 2008 at 10:45 AM in accordance with section 134 of the Securities Industry Act, 1995 will be available on the website at www.ttsec.org.tt from Friday, December 19, 2008.

By Order of the Commission

Lindi Joy Ballah-Tull
Corporate Secretary