



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 the Stock Exchange Rule 405 (1) and the Horizon Trading Rule 12.8** with respect to price band.

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

THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED

STATEMENT OF SUBSTANCE AND PURPOSE

July 16, 2009

PROPOSED AMENDMENT

Existing Stock Exchange Rule 405 (1): Price Stabilization

In order to stabilize the Market, the Stock Exchange may empower the Market Control Officer to suspend dealing in a security, if the offer price rises or the bid price falls more than 10% (or such percentage as the Stock Exchange may from time to time determine and promulgate by notice

except for rights trading) above or below respectively the closing price of the previous business day.

Proposed Stock Exchange – Rule 405 (1): Price Stabilization

In order to stabilize the Market, the Stock Exchange may empower the Market Control Officer to suspend dealing in a security, except for trading in rights, if the offer price or the bid price rises or falls more than 15% from the closing price of the previous business day.

Existing Horizon Rule 12.8: Freeze Alerts and Order Rejects

Order Reject Price Band – the order price must be within 10% (above or below) yesterday's close price.

Proposed Horizon Rule 12.8: Freeze Alerts and Order Rejects

Order Reject Price Band – the order price must be within 15% (above or below) yesterday's close price.

STATEMENT OF SUBSTANCE AND PURPOSE

The existing price band of 10% has proven to be a constraint to trading and has resulted in cases where some securities remain inactive even though the bids or offers are at the 10% limit, as well as cases of a one-sided market with no opposing bids or offers for some securities. As at June 30th 2009, there were three (3) securities with bids or offers at the 10% limit and twenty one (21) securities with a one-sided market.

This proposal seeks to amend the price band for daily price movements from 10% to 15%. Increasing the price band to 15% would allow investors to place orders within a wider price band making them more attractive to the market which should result in an increase in market activity and more flexible and efficient price discovery.

The proposed amendment is also being submitted in order to align the rule with the provisions of the Securities Industries Act, 1995 that require the prior approval of the Trinidad and Tobago Securities and Exchange Commission (TTSEC) before any changes are made to the Trinidad and Tobago Stock Exchange Rules.

AND TAKE NOTICE that the TTSEC is inviting any interested persons to submit written comments on the proposed amendments no later than **September 4, 2009** to the General Manager (Ag), Trinidad and Tobago Securities and Exchange Commission, 57-59 Dundonald Street, Port of Spain.

Dated this 12th day of August, 2009

**Charles de Silva
General Manager (Ag)
Trinidad and Tobago Securities and Exchange Commission**