



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**

ORDER

Dated this 14th day of June, 2010

WHEREAS on October 14, 2008 the Trinidad and Tobago Stock Exchange Limited (“the TTSE”) 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 by the Trinidad and Tobago Securities and Exchange Commission (“the Commission”);

AND WHEREAS, 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 WHEREAS after consideration of the proposed amendments and the urgency of the matter, the Commission at its meeting of 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 WHEREAS 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 WHEREAS 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 after its deliberations issued a **temporary order** (“**the said Order**”) and 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 resubmission 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; and/or
 2. calculate market indices;

AND WHEREAS the TTSE was granted an extension to June 30, 2009 to implement the terms and conditions of the said stipulated at (i) and (ii) above;

AND WHEREAS the Commission has now received sufficient evidence from the TTSE that it has implemented the terms and conditions of the said Order and has monitored the operations of the revised TTSE Rule 227 and the Horizon Trading Rule 10.2;

AND WHEREAS for the avoidance of doubt, the Commission, is desirous of making a final order as recited below.

IT IS HEREBY ORDERED THAT:

- (a) The TTSE Rule 227 and the Horizon Trading Rule 10.2 are repealed and replaced as follows:

Existing Rule 227 Closing of Market

- 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.
- 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 TTSE 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
<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>

- 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.*

Existing Horizon 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 the New Horizon Trading Rule 10.2 Market Close (CLS)

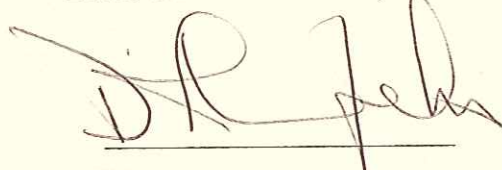
The closing price of a security listed on the Exchange is determined by using the price of the last transaction executed in the primary market for the security, subject to the Board Lot structure below. By way of example, for a share priced between \$0 - \$4.00, the price at which the last transaction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

Price Range (\$)	Volume of Shares
\$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

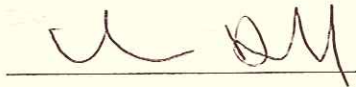
If a security does not trade in any designated trading session, the closing price of that security will be the same as the closing price of the previous day.

- (b) This Order shall be published in the Trinidad and Tobago Gazette and in the daily newspapers.

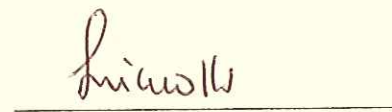
Dated this 14th day of June, 2010



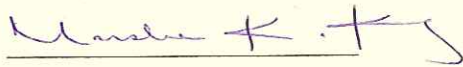
Deborah Thomas-Felix
Chairman



Vishnu Dhanpaul
Commissioner



Dr. Shelton Nicholls
Commissioner



Ms. Marsha King
Commissioner