



TRINIDAD & TOBAGO
SECURITIES & EXCHANGE
COMMISSION

2009
ANNUAL REPORT



OUR MISSION

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

OUR VISION

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.

CONTENTS

■	LETTER OF TRANSMITTAL	2
■	FUNCTIONS OF THE COMMISSION	3
■	THE COMMISSIONERS	4
■	MESSAGE FROM THE CHAIRMAN	5
	Introduction.....	5
	Market Developments	6
	Developments in Regulation.....	6
	Investigations and Enforcement.....	7
	Organizational Developments.....	7
	Changes in the Board of Commissioners.....	8
	Acknowledgement	8
■	SECURITIES AND FINANCIAL MARKET DEVELOPMENTS	9
	Developments in the International Market.....	9
	Regional Market Developments	9
	Trinidad and Tobago Securities Market Developments	11
	Institutional Developments	13
■	MANAGEMENT DISCUSSION	14
	Developing and Delivering Programmes of Investor Education.....	14
	Registration of Market Actors and Securities.....	14
	Monitoring Market Developments and Behaviour	17
	Operations Overview	18
■	STAFF OF THE COMMISSION	20
■	APPENDICES	24
■	FINANCIAL STATEMENTS	34
	Independent Auditor's Report	34
	Balance Sheet	35
	Income and Expenditure Account	36
	Statement of Changes in Accumulated Surplus	37
	Cash Flow Statement	38
	Notes to the Financial Statements	39

LETTER OF TRANSMITTAL

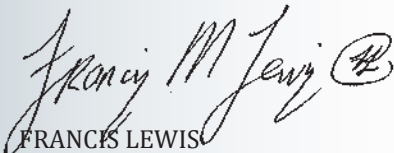
January 31st 2010

The Honourable Karen Nunez-Tesheira
Minister of Finance
Eric Williams Finance Building
Independence Square
Port of Spain

Dear Honourable Minister,

In accordance with the provisions of Section 20(1) of the Securities Industry Act, 1995 the Board of Commissioners submits the Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the financial year ended September 30, 2009 together with a copy of the Annual Audited Statement of Accounts certified by the auditors.

I would be grateful if you could advise the Board when the report is laid in Parliament in keeping with the statutory requirement for copies to be made available to the public after it has been so laid.


FRANCIS LEWIS
Commissioner

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 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 it necessary, advisable, or appropriate to ensure the orderly growth and development of the capital market.

THE COMMISSIONERS



Left to right:
• Mr. Shelton Nicholls • Mr. Francis Lewis
• Ms. Marsha King
Seated:
• Ms. Deborah Thomas-Felix
Missing:
• Mr. Vishnu Dhanpaul

MESSAGE FROM THE CHAIRMAN

■ Introduction

The just concluded fiscal year was a difficult one for financial markets both at home and abroad as the aftershocks of the disastrous financial meltdown of 2008 continued to be felt around the world. The financial crisis severely undermined the confidence of both borrowers and lenders, leading to stagnation of credit growth and a deepening of recessionary conditions in many of the world's largest economies. Governments and central banks typically responded with a combination of aggressive monetary expansion and fiscal stimulation of their economies, resulting in record low interest rates and a legacy of mounting debt in many economies.

These conditions and policy responses were also in evidence in Trinidad and Tobago where economic growth turned negative in the first quarter of the fiscal year and the government's initial budget estimates had to be twice adjusted in the face of a deteriorating economic outlook. Against this background it was no surprise that the domestic stock market continued to struggle, with both the level of trading and stock price indicators reflecting the growing mood of investor anxiety.

These sentiments deepened when, early in the second quarter of the fiscal year, the markets were shocked by the collapse of the CL Financial Group which included several large players in the securities sector, and to which many holders of securities and other financial assets were directly or indirectly exposed. The reverberations of these events were also directly felt within the Commission when its incumbent Chairman and Chief Executive Officer was seconded on special assignment to the Central Bank of Trinidad and Tobago to deal with matters related to the CL Financial Group.

One of the fallouts of the market slowdown was, not unexpectedly, a noticeable reduction in registration activity in relation to both securities and market actors. The prevailing context of market uncertainty increased the burden of public expectation on the Commission, as on regulators everywhere, to ensure adequate levels of investor protection. The Commission's regulatory agenda remained quite active, with the primary focus continuing to be placed on securing the passage of the new Securities Act. In this regard, a significant advance appeared to have been made during the year when the Securities Bill was approved by the House of Representatives on July 10, 2009. However, by the end of the year prospects for the early passage of the Bill by both houses of Parliament appeared to be less certain.

The Commission maintained its thrust towards strengthening the regulatory framework by continuing to develop and issue guidelines for market regulation, focussing on three areas in which there were critical regulatory gaps. One such area, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), was also seen as a national priority in the context of this country's international obligations. The Guidelines on Sale and Repurchase Agreements were intended to put in place an

Mr. Francis Lewis, Chairman, Pro Tem



appropriate framework to govern what has become a burgeoning area of activity and investment opportunity for the market but which has simultaneously given rise to unfamiliar new risks. The third set of guidelines addressed the issue of shares under Employee Stock Compensation Plans.

The Commission's philosophy of investor protection and the discharge of its mandate in this regard have always focused heavily on the principle of full and timely disclosure by issuers of securities. Where issuers and others who are required to make timely disclosures to the Commission and to the public fail in their legal responsibility the Commission is determined to protect the public interest by enforcing the law. During the fiscal year the Commission moved to strengthen and refine its internal systems for the processing of these and other contraventions of the Securities Industry Act, 1995. As a consequence, the pace of enforcement activity has been intensified. This will remain a major thrust of the Commission in the coming fiscal year, alongside its preparations for implementation of the pending the new Securities Act. The public's interest requires no less.

■ **Market Developments**

Trends in the domestic securities market unfolded against the backdrop of continuing weakness and instability in global financial markets, and deteriorating economic conditions here at home. The domestic market was jolted by the announcement at the end of January 2009 of the collapse of the CL Financial conglomerate whose diversified interests included two insurance companies including the country's largest, a major investment bank, a large securities company and majority ownership of the country's largest commercial bank. Coming as it did in the wake of the international financial crisis and the widespread losses suffered by investors globally, these events rattled the confidence of local and regional investors and contributed to a drop in the local stock market.

The Composite Stock Price Index fell from 1065.62 at the beginning of the fiscal year to a value of 787.53 at the end of September 2009. More than three quarters of the losses occurred in the first quarter of the year, a period in which global market turbulence was also at its height. The market stabilized briefly during January 2009 but this was not sustained. The Index posted a succession of 5-year lows, recording its lowest level for the year in July 2009. In the last two months of the fiscal year some

stability returned, and the Index closed the year at 1.5 percent above the July low, but 26 percent below its value a year earlier.

The overwhelmingly bearish trend in the local market was reflected in thin and sluggish trading that saw several stocks remain at a virtual standstill for considerable periods of time. The domestic stock market witnessed one of its largest ever one-day declines on October 6, 2008 when market capitalization fell by \$3.2 billion and the Composite Index plunged by over 62 points on a trading volume of just over 58,000 shares. More significantly, more than 50 percent of the loss of market capitalization was triggered by the sale of just 365 shares of a single company.

Further underscoring market inertia was the unsuccessful share buy-back initiative of one listed company and the failure by another listed company to raise its targeted level of additional capital due to poor shareholder response to its rights issue. At the end of the financial year there was not yet a turnaround in market performance or activity.

These events and the sluggish trading activity formed part of the backdrop to a number of changes or proposed changes to the rules governing the operation of the Trinidad and Tobago Stock Exchange (the Exchange). These included the introduction of volume thresholds aimed at preventing small transactions from affecting the price of stock and a widening of the band within which the price of a security could change on any given day. Also, under consideration at the end of the year were proposals by the Exchange to introduce trading in depositary receipts and for enhancing the disclosure regime applicable to its listed companies.

■ **Developments in Regulation**

The Proposed Securities Act

The proposed Securities Act which has been several years in gestation moved closer to being enacted. On Friday July 10, 2009 it was debated by the House of Representatives and passed with the required special majority. At the end of the fiscal year the Bill was still to be debated and approved by the Senate. This process needed to be completed before the end of the Parliamentary session in December, failing which the Parliamentary process would need to be restarted.

Guidelines

The Commission has continued to work towards the development and promulgation of guidelines to enhance and strengthen its regulation of the market. This approach has served well in the past to allow the Commission to respond flexibly to new developments in the market and to establish a culture of compliance among market actors with regulatory provisions that are likely to become law in the near to medium-term future.

Guidelines for Employee Stock Compensation Plans

Guidelines for Employee Stock Compensation Plans were issued by the Commission in May 2009. These Guidelines were developed with the intent that companies would be required to report certain information with respect to the creation and operation of their Employee Stock Compensation Plans on a regular basis. The Guidelines further aims to allow an increase in the flow of information thereby enabling shareholders to be in a position to make a more accurate assessment of a company's performance when determining whether to buy, hold or dispose of their shares.

Guidelines on Sale and Repurchase Agreements (Repos)

Repurchase activity has evolved at a rapid pace in the Trinidad and Tobago securities market. The Commission issued Guidelines on Sale and Repurchase Agreements under Section 6(b) of the Act. Research and consultation in this began in 2006 and Guidelines were expected to be issued in early 2010 and to be converted to By-Laws in the future.

Draft Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism

During the year the Commission developed Draft Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism and at year's end was preparing to circulate these to the market for comment. The Guidelines follow international standards in seeking to prevent the use of the financial system to disguise or legitimize the proceeds of illegal activity and address the following key areas:

- **Client Due Diligence** – providing a framework for validating clients' identities and understanding the nature of the business relationship;

- **Record Keeping** – outlining requirements for the nature, form, content and retention of customer records;
- **Monitoring and Reporting** – addressing the need for systems for detecting, analyzing and reporting suspicious activities; and
- **Internal Policies Procedures and Controls** – proposing minimum standards for employee screening and training as well as requiring the designation of a Compliance Officer.

■ Investigations and Enforcement

During the reporting year the Commission completed two (2) investigations which had begun in the previous year and one (1) which was initiated and completed in the period under review. Two (2) of these investigations were in their follow-up stages at the end of the year while the third was closed. The Commission also initiated enquiries into a number of matters that came to its attention through surveillance or that were otherwise referred. These matters spanned a range of suspected contraventions of the Act, relating to, inter alia, the distribution of unregistered securities, market rigging and market manipulation and insider trading. While four (4) of these matters were closed during the year, others were in various stages of being resolved by the Commission, including three (3) that were under legal review and two (2) that were the subject of settlement discussions with the Commission.

■ Organizational Developments

The Commission focused heavily during the year on preparations for strengthening the foundations of its information management infrastructure, the creation of a Business Continuity Plan and a Disaster Recovery Plan. Management and staff also collaborated in a strategic planning exercise that entailed the training of the management team in the area of Effective Strategic Leadership. The development of the plan involved consultations with the market, an exercise which helped to inform the definition of priorities. The Commission also undertook a major upgrading of the functionality and features of its website during the year.

In the area of training and development the staff of the Commission benefited from forty-five (45) training opportunities throughout all levels of the organization. Thirty-two (32) of these programs were held locally. The

Commission also participated in the Annual Conference and Technical Committee Meetings of the International Organization of Securities Commissions (IOSCO) and meetings of the Council of Securities Regulators of the Americas (COSRA) and the Caribbean Group of Securities Regulators (CGSR).

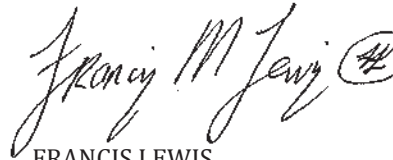
■ Changes in the Board of Commissioners

The Commission began the year with a complement of five (5) Commissioners, two short of the statutory maximum of seven. During the course of the year the Commission lost the services of its Chairman and CEO Mr. Osborne Nurse who was also its longest serving Commissioner, having initially been appointed in April 2003. Mr. Nurse left the Commission with effect from February 1, 2009 to take up an assignment with the Central Bank of Trinidad and Tobago. Another member of the Commission, Mrs. Janice Clarence-Quamina, tendered her resignation from the Board with effect from April 6, 2009. Mrs. Clarence-Quamina had been appointed to the Board on January 30, 2007.

In light of these departures and pending the appointment of a new Chairman, Commissioner Francis Lewis was requested to assume the responsibilities of pro-tem Chairman of the Board, a position which he continued to hold at the end of the fiscal year.

■ Acknowledgement

I am grateful for this opportunity to publicly acknowledge and thank my fellow Commissioners, as well as the management and staff of the Commission, for the wholehearted support which they have extended to me in my capacity as Chairman, Pro Tem. Their encouragement, dedication and professionalism allowed the Commission to continue to grow as an institution while successfully navigating the challenges of a difficult year for the organization as well as for the markets it regulates. I thank them sincerely for their efforts and for their commitment to the Commission's vision and mandate.



FRANCIS LEWIS,
Chairman, Pro Tem

SECURITIES AND FINANCIAL MARKET DEVELOPMENTS

■ Developments in the International Market

From all indications during the fiscal year financial markets and the global economy appeared to have survived the worst of the international financial crisis, albeit at the cost of a massive increase in debt burdens in many countries and large-scale liquidity interventions by central banks. By the end of the second quarter of 2009 it appeared that the markets had regained some appetite for risk, leading to a strengthening of equity markets that was sustained to the end of the fiscal year.

Global stock markets faced steep losses as the financial crisis intensified in the last quarter of 2008. The Dow Jones fell by 39.6 percent from the start of the period to March 2009 where it bottomed out at a multi-year low of 6,547. The equity markets in other advanced economies also faced steep declines during this period: the London FTSE fell by 28.57 percent, the German DAX fell by 36.41 percent and the Japan Nikkei declined by 37.67 percent during the period.

The emerging equities markets also plummeted as capital flows retreated into safe haven instruments in advanced markets. The Brazil Bovespa and India Sensex declined by 26.22 percent and 37.5 percent respectively. The Shanghai Composite Index posted a more moderate decline of 7.63 percent, proving to be more resilient than its counterparts.

However, global equities markets staged a dramatic turnaround after bottoming out in March 2009 which extended to the end of September 2009. The Dow Jones gained 40.34 percent during this period, reversing its losses since October 2008. The emerging markets of Brazil and India also experienced exceptional increases. The BSE Sensex doubled in value to close at 17,126 at the end of September 2009 while the Brazil Bovespa posted an impressive gain of 67.43 percent during the period. The advanced markets also fared well as the London FTSE gained 44.92 percent and the German DAX gained 53.72 percent.

Markets were helped by the fact that there was also some brightening of the global economic outlook as the year progressed. The downturn in the global economy appeared to be arrested in the second quarter of 2009 when global output was estimated to have expanded at an annualized rate of 3 percent. However, this was mainly on the strength of growth in the emerging Asian economies, particularly China and India whose economies had been relatively less affected by the crisis than the more advanced western economies. Among this latter group activity also picked up during the second quarter of 2009 with France and Germany, among others, emerging out of recession. The recovery was generally supported by large domestic fiscal stimulus programs aimed at boosting private demand across several countries. Nevertheless, in its World Economic Outlook report released in October 2009 the IMF projected the global economy to contract by 1 percent in 2009 before growing by 3 percent in 2010.

■ Regional Market Developments

Jamaica Stock Market

The 2008/2009 fiscal year proved especially challenging for the Jamaican stock market as it continued to grapple with the effects of the international financial crisis and the consequent global recession. In this context the Jamaica Stock Exchange (JSE) Market Index posted an overall decline of 20.64 percent over the twelve-month period to September 2009. Although the market had witnessed a protracted slowdown since the second quarter of 2008 this decline was intensified in the fourth quarter during which the JSE Market Index fell sharply by 20.42 percent.

Figure 1:
JSE Market Index: Oct 1st, 2008 – Sept 30th, 2009



The overall market weakness during the latter portion of 2008 reflected the unfavorable developments in the foreign exchange market and widespread uncertainty on the part of investors in the face of the slowdown in the local economy. The high rates of return prevailing in the market for fixed-income securities also contributed to weakened demand for Jamaican equities.

Following a short upward spike in January 2009 the Index resumed its downward trend as market sentiments remained subdued. A rating downgrade for Jamaican sovereign bonds by Moody's Investor's Service on March 4th, 2009 and later by Standard & Poor's on March 18th, 2009 contributed to the bearish mood of investors. However, a brief rally in the third quarter of 2009 punctuated the downward trend in the market. In the three months to June, the JSE Market Index rose by 3.09 percent amidst better-than-expected earnings results for several listed companies and a relatively stable foreign exchange market.

Despite these favorable developments, investor sentiment remained subdued as evident by the sluggish performance of the JSE Index thereafter, which declined by 1.19 percent in the three (3) months to September 2009.

On September 7th, 2009 Sagicor Financial Corporation (SFC) applied to be de-listed from the JSE. The application for the de-listing, which took effect on September 16th, 2009, was made on account of extremely low trading activity of SFC shares on the JSE Exchange. At the time of the de-listing the JSE accounted for a minimal share of the total issued share capital of SFC (approximately 1.7 percent) – SFC is a crossed listed company. As such, the removal of the SFC shares from the JSE was not expected to adversely affect trading activity on the remaining three (3) exchanges where the company remains listed (Barbados, Trinidad and Tobago and London Stock Exchanges).

On April 1st, 2009 the JSE launched the JSE Junior Market to facilitate capital-raising by small and medium-sized enterprises (SMEs). Although this initiative generated interest from prospective companies no listing was forthcoming until October 30th, 2009. Access Financial Services became the first company to list on the Junior Market following its Initial

Public Offering (IPO) from October 14th – October 16th, 2009. This transaction involved the offer of approximately 5.4 million ordinary shares at a price of J\$18.38 per share. The IPO was fully subscribed.

Barbados Stock Market

The Barbados stock market experienced a severe downturn in the 2008/2009 fiscal year during which stock prices, as measured by the Barbados Stock Exchange (BSE) Composite Index fell by 19.3 percent. During this period market capitalization contracted by 20.1 percent, a value of roughly Bds\$3.1 billion. In the first seven (7) months of the period the BSE Composite Index declined consistently to close at 833.65, 19.6 percent below its opening value for the period. The decline was arrested in May 2009 after which the BSE Composite Index traded relatively flat for the remainder of the period. There was a notable fall-off in trading activity in keeping with the bearish mood of the market. The volume and value of trading on the Exchange over the period were down 89.06 percent and 93.50 percent, respectively, from the levels experienced in the previous fiscal year.

Figure 2:
BSE Composite Index: Oct 1st, 2008 – Sept 30th, 2009



■ Trinidad and Tobago Securities Market Developments

Trinidad and Tobago Stock Market

The performance of the Trinidad and Tobago stock market continued to trend downward in fiscal 2008/2009. In the twelve (12) months to September 2009, the Trinidad and Tobago Stock Exchange (TTSE) Composite Index declined by 25.61 percent to end the year at 787.53. Most of the decline occurred in the first quarter when the Index lost about 20 percent of its value (*see Table 1*). There were declines across all sectors of the Index with the largest occurring in Manufacturing II (44.94 percent), Non-Banking and Finance (37.24 percent) and Property (31.56 percent) sub-sectors. Average daily trading volumes on the market declined 31.02 percent in the twelve months to September 2009.

A major contributor to the declining levels of market activity and performance was the apparent widespread nervousness on the part of investors in the face of the prevailing global financial instability and the domestic reverberations of the crisis in the form of the collapse of the CL Financial conglomerate. Investor confidence may also have been affected by the sharp fall in the local market that occurred in October 2008 on the basis of very thin trading in a small number of shares. Much of the first quarter decline in the Index occurred during the month of October when the Index slid by a substantial 12.99 percent.

Conditions in the local economy also did little to boost the market in 2008/2009. Periodic data releases by the Central Bank indicated that the domestic economy contracted by 1.0 percent in the first quarter, 4.6 percent in the second quarter and 3.6 percent in the third quarter. Towards the end of the fiscal year the declining trend in the market appeared to be bottoming out, with the Index posting a small gain of around 1 percent over the final three months of the year (*Figure 3*). By this time the outlook for the global economy and for commodity prices had begun to turn more positive and this may have contributed to the return of optimism among some investors.

The majority of listed companies on the TTSE experienced declines in their share prices in the twelve (12) months to September 2009. Thirty-one (31) stocks posted declines, whilst only three (3) reported positive returns for the period. The remaining five (5) stocks were unchanged. *Tables 2* and *3* list the top three (3) losers and top three (3) gainers for the period.

Table 1:
Percent change in the Composite Index by Quarter during fiscal year 2008/2009

Quarter	Opening Value	Closing Value	Percentage change (%)
1	1065.62	842.93	(20.87)
2	842.93	821.82	(2.50)
3	819.37	779.62	(4.85)
4	779.46	787.53	1.04

Figure 3:
TTSE Composite Index: Oct 1st, 2008 – Sept 30th, 2009



SECURITIES AND FINANCIAL MARKET DEVELOPMENTS *(continued)*

Table 2:

Top 3 Gainers: October 2008 - September 2009

Gainers	Last Price (TT\$)	Change (%)
Mora Ven Holdings Limited	13.50	35.14
Trinidad Publishing Company	65.00	8.32
Berger Paints Trinidad Ltd	3.25	3.17

Table 3:

Top 3 Losers: October 2008 - September 2009

Losers	Last Price (TT\$)	Change (%)
Jamaica Money Market Brokers	0.30	-68.42
Grace Kennedy Ltd	2.71	-56.24
Trinidad Cement Ltd	4.18	-53.24

Figure 4:

TTSE Market Capitalization (TT\$M): 2004-2009

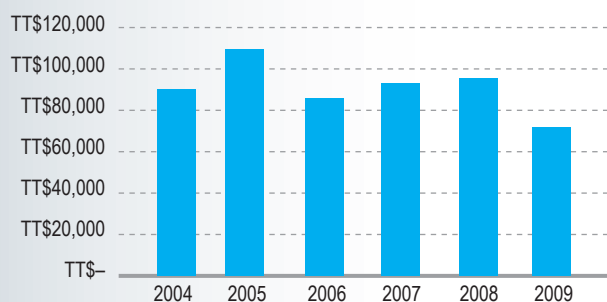
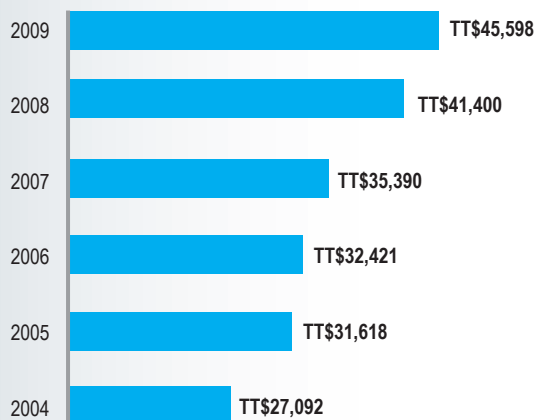


Figure 5:

Mutual Funds (TT\$M) - Funds under Management: 2004-2009



Over the course of the fiscal year, there was a marked decline in market capitalization by 23.8 percent from TT\$93.6 billion on October 2nd, 2008 to TT\$71.4 billion on September 30th, 2009. This is the lowest recorded value of market capitalization in the five year period 2004-2009 and was reflective of the significant declines in the share prices of most of the companies listed on the exchange (*see Figure 4*).

Mutual Funds

Mutual funds remained popular investment vehicles during the fiscal year notwithstanding a marked downward shift in the returns paid to investors on account of the declining interest rate environment and weak stock market performance. At the end of September 2009, mutual funds held a total of TT\$45.6 billion under management. This reflected growth of 10.4 percent over the course of the fiscal year (*Figure 5*).

However, while investors generally appeared to keep faith with mutual funds in spite of the uncertainties in the financial environment, the industry itself did not escape the fallout of the difficult market conditions. During the fiscal year there was the closure of Republic Bank's Global Equity Fund, reportedly on account of a drying up of investment opportunities which left the Fund unable to achieve its investment objectives. In addition, the ANSA US\$ Secured Fund also stopped accepting new subscriptions because of the unavailability of suitable investment opportunities.

Other mutual fund distributors also appeared to be restructuring their operations in response to the changed financial environment. Barclays International Funds applied to the Commission for the removal of six (6) of their funds from the Commission's register since there were no persons from Trinidad and Tobago invested in these funds. The AIC Financial Group also undertook some restructuring by consolidating four (4) of their registered funds into two and instituting name changes.

The Commission registered two (2) new mutual funds during the fiscal year. These were VT Caribbean Property Fund PCC Limited, a foreign domiciled property fund, and the ANSA Euro Income Fund, which is sponsored by ANSA Merchant Bank Limited, and is the only Euro Income Fund in the local market. The new offerings represented a further attempt to diversify the local mutual funds market and provide investors with a broader range of investment opportunities.

■ Institutional Developments

In contrast to the low levels of market activity transacted on the Exchange, the period under review saw a number of important institutional changes being proposed, not all of which were approved for implementation by the end of the fiscal year. These changes were not unrelated to prevailing conditions and developments in the market, and included measures aimed at market stabilization as well as at introducing new products for trading on the Exchange.

Price Stabilization

In July 2009 the Exchange applied to the Commission for approval of a change in its rules that would allow a wider range of movement in the closing price of a security on any given trading day. The Exchange was seeking to modify the existing rule which allowed movement of up to 10 percent daily by increasing the limit to 15 percent. The Exchange was of the view that the existing band constrained trading as it did not provide sufficient flexibility for prices to adjust in the prevailing weak market conditions and had resulted in some securities remaining inactive for long periods. The application by the Exchange was the subject of a hearing by the Commission in November 2009. The Commission's formal decision in this matter remained pending at the end of the fiscal year.

Minimum Trading Volumes

During 2009 the Exchange, by application dated October 14th, 2008, sought the approval of the Commission to amend its rules to establish a minimum trading volume that would be required to change the closing price of a security. This move came in the wake of events on October 6th, 2008 that saw a precipitous fall in the market occurring on the basis of very thin trading. The existing rule allowed the closing price of a security to be determined simply by the price of the last transaction in the security. The application was approved by the Commission following the conduct of a hearing.

Depositary Receipts

In September 2009 the Exchange applied to the Commission for approval to implement trading in Trinidad and Tobago Depositary Receipts (TTDRs). A policy framework and proposed by-laws for the regulation of TTDRs were developed by the Commission in 2008 and at the close of the fiscal year were awaiting Parliamentary approval. The proposed arrangements by the Exchange for the trading of TTDRs raised issues surrounding the mitigation of risks relating to short selling and the borrowing and lending of securities. A public hearing on the application of the Exchange was impending at the close of the fiscal year.

MANAGEMENT DISCUSSION



■ Developing and Delivering Programmes of Investor Education

Investor education remained an important part of the Commission’s strategy for the protection of investors in fiscal 2009. The Commission has consistently championed this approach based on the view that well-informed investors are better able to make wise investment choices and are able to protect themselves from becoming victims of abuse. The instability that characterized both the global and domestic financial markets during the fiscal year caused anxiety among investors and created a receptive climate for the Commission’s investor education initiatives throughout the year.

The Commission sought to address these needs by maintaining a vigorous investor outreach programme complemented by a heightened print advertising campaign, the theme of which was ‘Invest with Confidence’. A major focus of the campaign was the promotion of awareness of the services provided by the Commission, particularly its role in investigating and helping to resolve investor complaints. The outreach programme extended to twenty-eight (28) groups during the year, in response to demands for information from a wide variety of sources including sections of the credit union movement and from other regulatory agencies. Sessions were also conducted in the sister isle of Tobago.

■ Registration of Market Actors and Securities

Market Actors and Reporting Issuers

At the end of September 2009 there were 211 market actors and reporting issuers registered with the Commis-

sion when compared to the 206 registered a year earlier. (see Table 4). However, at the close of the financial year the removal of three (3) registrants from the register of the Commission was pending. These were CLICO Investment Bank Limited (CIB), Furness Trinidad Limited (Furness) and Valpark Shopping Plaza Limited (Valpark). The pending removal of CIB from the register of the Commission was consequent on a decision by the Central Bank earlier in the year to revoke the institution's banking licence. On the other hand, upon delisting applications from the Exchange which were subsequently approved by the Commission, both Furness and Valpark were delisted in 2009.

Table 4:
Market Actors and Reporting Issuers Registered with the Commission: 2008-2009

Class of Registration	As at Sept. 30th, 2009	As at Sept. 30th, 2008
MARKET ACTORS		
Brokers	29	29
Dealers	0	2
Investment Advisors	25	24
Securities Companies	33	31
Self Regulatory Organizations	2	2
Traders	20	20
Underwriters	2	3
Total Market Actors	111	111
OTHER		
Reporting Issuers	100	95
Total Registrants	211	206

Securities

During the fiscal year, the Commission registered a total of twenty-nine (29) securities, fewer than half of the seventy-five (75) securities registered in the previous fiscal year. Excluding collective investment schemes, the value of new securities issued was an estimated TT\$7 billion, down from TT\$22 billion in the previous financial year. Debt securities accounted for 70.4 percent of the total value of securities registered with the Commission during the reporting period while equity securities registered during the fiscal year were valued at approximately TT\$34.9 million.

Issues Pursuant to Stock Compensation Plans ("SCPs")

For the fiscal year 2009, ten (10) issues of equity securities were registered by the Commission, nine (9) of which were made pursuant to stock compensation plans. These SCPs accounted for approximately 1.8 million shares with an aggregate value of about TT\$34.9 million. The remaining issue of shares was in relation to a cross-listing of the shares of BCB Holdings Limited. This issue resulted in the registration of 130,642,984 shares at an initial value of TT\$12.38 per share.

Four (4) of the nine (9) issues of equity securities pursuant to SCPs were made by local organizations. These local issues were valued at TT\$22.9 million and accounted for 65.8 percent of the shares that were registered pursuant to SCPs. The remaining five (5) issues that originated from foreign companies were valued at approximately TT \$11.9 million or 34.2 percent of the shares that were registered pursuant to SCPs (Table 5).

There was a marked absence of new equity issuances for the purpose of raising capital on the market. Table 6 shows the number and corresponding values of shares that were registered pursuant to SCPs over the past five (5) years.

Table 5:
Equity Securities Registered With the Commission: 2008-2009 pursuant to Employee Stock Compensation Plans

	Local	Foreign
No. of Issues	4	5
No. of Shares	814,829	1,028,223
Value of Shares	\$22,938,305.47	\$11,923,023.95

Table 6:
Equity Securities Registered With the Commission: 2004-2009 pursuant to Employee Stock Compensation Plans

Period	Number of shares	Number of Issues	Value of Issue (TT\$m)
2004-2005	5,694,057	39	82.382
2005-2006	24,721,797	42	190.930
2006-2007	2,615,238	25	38.709
2007-2008	5,252,437	23	117.504
2008-2009	1,843,052	9	34.861
Total	40,126,581	138	464.386

The following graphs represent activity with respect to the registration of equity securities by the Commission over the last five (5) years.

As can be seen from **Figures 6** and **7**, during the fiscal year 2009 there was a marked decline in the number of issues of shares as well as the number of shares itself as compared to the past four (4) years.

Figure 8 shows that the number of shares registered in the fiscal year under review declined by 65.4 percent from the previous year, with a corresponding drop in value of 72.7 percent or TT\$93.3 million.

Foreign Stock Compensation Plans

It is important to note that three (3) multi-national corporations applied for and were granted exemptions from the requirement to register shares that were being issued pursuant to Employee Stock Compensation Plans (AirLiquide, Arcelor Mittal, BHP Billiton Limited). These companies were exempted from the requirement to register as Reporting Issuers by virtue of the fact that they are regulated in their home jurisdictions and are subject to filing obligations abroad. Additionally, the Commission approved Guidelines for Foreign Companies that wish to operate Employee Stock Compensation Plans in Trinidad and Tobago.

Debt Securities

Although debt securities dominated the new issue market in the period under review in terms of value, the number and value of such securities issued were down from the previous year. The eleven (11) debt securities registered during the year had an aggregate face value of TT\$4.9 billion whereas in fiscal 2008 there were fourteen (14) new debt issues with a combined face value of TT\$6.4 billion (*see Appendix 10*). Except for one (1) issue of commercial paper all debt securities issued during the reporting period were fixed-rate bonds, three (3) of which were US-dollar denominated. The US dollar bonds had a combined face value of US\$80.3 million (approximately TT\$510.7 million), representing 10.4 percent of the face value of debt securities issued during the fiscal year. The remaining eight (8) securities were denominated in local currency.

In contrast to the previous fiscal year, public sector borrowers were the major issuers of debt in fiscal 2009. The central government, statutory bodies and state enterpris-

Figure 6:
Number of Issues of Equity Securities Registered: 2004-2009

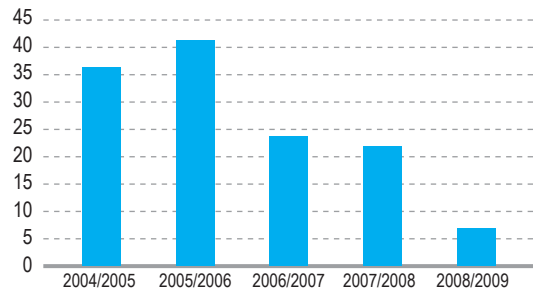


Figure 7:
Number of Shares Registered: 2004 - 2009

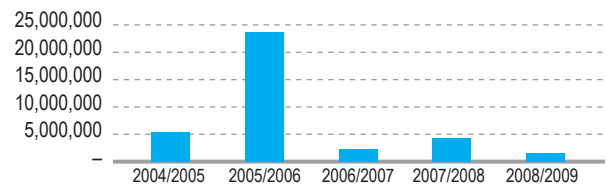
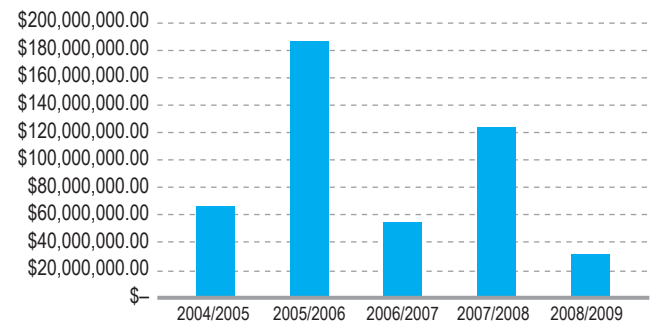


Figure 8:
Value of Shares Registered: 2004 - 2009 (TT\$)



es accounted for eight (8) of the eleven (11) debt issues registered, raising approximately TT\$4.5 billion to meet their financing needs. During the year the government announced that it would resort to a level of deficit financing in light of falling energy sector revenues. In pursuance of this strategy the central government raised \$1.8 billion by way of two debt issues and allowed a number of parastatal agencies to go to the market on the basis of government guarantees. The largest issuer in this latter category was the National Insurance and Property Development Company which raised a total of TT\$682 million from a single issue in July 2009.

Private sector issuers were also active in the market. Trinidad Cement Limited (TCL) raised US\$35.0 million through a fixed-rate bond issue and an issue of commercial paper, while another member company of the TCL group issued a 9-year fixed-rate bond to the value of TT\$187.0 million.

Derivatives

There were fewer issues of derivatives in fiscal 2009 when compared to the previous fiscal year, the number of issues registered falling from ten (10) to six (6). The securities issued were all denominated in local currency and included four (4) certificates of participation based on fixed-rate bonds and loans. In addition, there were two (2) issues of mortgage backed securities, the larger of which represented a value of TT\$1 billion, almost half of the total value of derivatives issued (\$2.02 billion). These securities were issued in two series by Scotiabank Trinidad and Tobago Limited

Equities

New equity securities registered by the Commission in fiscal 2009 consisted of six (6) issues of ordinary shares made pursuant to Employee Share Ownership Plans, three (3) issues made pursuant to Management Share Ownership Plans and one (1) cross listing (**Table 7**). The total number and value of shares registered in relation to these issues were 105.5 million and \$34.6 million, respectively, representing significant declines from the previous fiscal year. In fiscal 2008 thirty-two (32) equities with an approximate value of TT\$14.5 billion were registered.

Table 7: Equity Issues by Type: October 2008 – September 2009

Equity Issues	No. of issues	No. of shares ('000,000)	Value (TT\$000,000)
ESOP/MSOP	9	1.8	34.8
Cross Listing	1	103.6	1,283.1
Total	10	105.4	1,317.9

Cross Listings

The Commission approved the registration of 103,642,984 ordinary shares of BCB Holdings Limited on August 3rd, 2009 with an estimated total value of TT\$1.3 billion. BCB, a holding company with operations in the

Turks & Caicos and Belize was already listed on the Alternative Investment market in the United Kingdom and was cross listed on the TTSE on October 28th, 2009.

Collective Investment Schemes (CIS)

Against the backdrop of steeply declining returns and diminishing investor confidence in the face of the global financial instability registrations of new mutual funds slowed to a trickle in the financial year 2008/2009. Two (2) mutual funds were registered as compared to fourteen (14) in the previous period. Both funds were denominated in foreign currency.

■ Monitoring Market Developments and Behaviour

Investigations and Enforcement

Contraventions of the Act and By-laws

During the second half of this year, the Division of Legal Advisory and Enforcement began the process of dealing with Reporting Issuers who were in contravention of the filing requirements under the Act and its By-Laws. Thus far, approximately fifty-eight (58) Notices of Contravention were served upon sixteen (16) Reporting Issuers for failing to adhere to the timelines and other requirements stipulated for the filing of their:

- i. Interim Financial Statements;
- ii. Comparative Financial Statements;
- iii. Annual Reports; and
- iv. Amended Registration Statements.

The Commission conducted several written hearings up to September 30th, 2009 in accordance with the Securities Industry (Hearings and Settlements) Practice Rules, 2008. Several of these reporting issuers have been entering into settlement discussions with the staff of the Commission, while others have had Orders made against them to pay penalties for their failure to adhere to their responsibilities to investors.

The Division will continue to pursue these matters into the upcoming year.

Other Hearings

Hearings on Proposed Revisions of the Rules of the Trinidad and Tobago Stock Exchange

The Commission conducted Hearings on November 20th, 2009 pursuant to Section 134 (1) of the Act to adjudicate on changes to the Exchange's Price Stabilization Rule (Rule 405) with respect to the price band, and the introduction of a Disclosure Regime for Listed Companies.

- *Price Stabilization Rule 405*
The proposal with respect to the price band sought to amend the daily price band from 10 percent to 15 percent. The Stock Exchange indicated that the increase 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.
- *Disclosure Regime for Listed Companies*
The proposal for the disclosure regime sets policy for the timely disclosure of financial information by companies listed on the Exchange. The current arrangement for quarterly financial statements is based on moral suasion and the proposal is aimed at formalizing this requirement into the official Stock Exchange Rules. These new rules would reflect the fundamental principle that all persons investing in securities listed on the Exchange should have timely access to information that might affect their investment decisions.

The Commission has reserved its decisions on these matters to a date in the near future.

Hearings into Contraventions of the Act and By-Laws

Hearings regarding the contravention of By-Law 19 (1) (a) of the Securities Industry (Take-Over) By-Laws, 2005 and Section 82 (c) of the Act by Chan Ramlal Limited ("CRL") commenced on March 04th, 2009. CRL failed to publish the press release on its acquisition of more than 10 percent of the shareholding in Berger Paints Limited in accordance with By-Law 19 (1) (a) and then failed to disclose the material fact pursuant to section 82(c) of the Act that CRL had reduced its shareholding in Berger Paints Limited by selling some of its shareholding in Berger Paints Limited to Devanand Ramlal, Director and Principal of CRL. The end result was that CRL was ordered to pay

the maximum penalty of \$50,000.00, for each offence, a total of \$100,000.00. The Order was published in the daily newspapers.

Hearings to De-list Entities from the Stock Exchange

On February 4th, 2009, the Commission heard two applications by the Trinidad and Tobago Stock Exchange to de-list Furness (Trinidad) Limited ("Furness") and Valpark Shopping Plaza Limited ("Valpark") from the Exchange. By Orders dated May 14th, 2009 the Commission authorized the de-listing by the Exchange and imposed conditions for the protection of investors, in accordance with the Act. The Commission will continue to have oversight of Furness and Valpark until they comply with the terms of the Order.

Handling of Investor Complaints

During the 2008/2009 financial year, the Commission recorded a noticeable increase in the number of complaints it received from members of the investing public. Sixteen (16) complaints were received over the period. The matters referred to the Commission covered a range of issues including, among others, the inability of clients to recover their funds from an investment adviser, the payment of directors' fees by a listed company without the prior approval of shareholders, soliciting of clients' funds by an investment adviser, and the inadequacy of buyout prices offered to minority shareholders upon the delisting of companies from the Stock Exchange.

The majority of the complaints were either resolved or closed for various reasons, most commonly because complainants failed or were reluctant to provide essential follow-up information to the Commission. At the close of the fiscal year one of the matters was the subject of enforcement proceedings and another was still under inquiry. In addition to complaints, there was a marked increase in the number of telephone queries that staff of the Commission fielded in 2008/2009, an indication that the Commission's investor education and advertising initiatives might be succeeding in raising investor awareness of the role of the Commission.

■ Operations Overview

Infrastructural Strengthening

During the year the Commission focused heavily on preparations for strengthening the foundations of its

information management infrastructure, the creation of a Business Continuity Plan and a Disaster Recovery Plan. The Commission also undertook a major upgrading of the functionality and features of its website to allow for simpler and more effective communication and dissemination of information to investors and other stakeholders. The upgraded website is scheduled for deployment within the first quarter of 2010.

IOSCO Multilateral Memorandum of Understanding

In July 2009, the Commission submitted its application to become a signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU). The IOSCO MMoU represents an international benchmark for co-operation and information sharing that builds on many levels of co-operation and information exchange to combat cross-border fraud and other securities violations. Crucial to the success of the Commission's application is the passage of the proposed new Securities Act. Where a regulator does not have the full legal authority to satisfy the requirements of the MMoU, it is invited by IOSCO to become an "Appendix B" signatory. This status recognises the regulator's intent to obtain the necessary capacity through passage of the appropriate legislation. The Commission expects to become an "Appendix B" signatory in the first instance as it continues to strive for standards considered international best practice in key areas of enforcement.

Strategic Planning

In 2009, the Commission embarked on the strategic planning process for the three (3) year term 2009-2012. The management team was trained in the area of Effective Strategic Leadership and worked on developing priorities along with a core staff team assigned to the exercise. The planning process involved consultations with the market, a review of the previous plan and determination of priorities.

Staffing

The Commission began the fiscal year with a staff complement of forty-three (43) members and ended with forty-eight (48) members on September 30th, 2009. During the year there were fifteen (15) hires and five (5) departures.

In January 2009, the Chairman and Chief Executive Officer Mr. Osborne Nurse was seconded on special assignment to the Central Bank of Trinidad and Tobago to deal with matters related to the CL Financial group of companies. In

the absence of a General Manager, an Executive Management team was constituted via acting appointments with delegated authority from the Board, for the oversight of the operations of the Commission. The composition of the Executive Team was as follows:

Charles de Silva	: Acting General Manager
Hazel Ramsingh-Persad	: Acting Deputy General Manager
Lindi Ballah-Tull	: Acting General Counsel

The search for a General Manager continued during the fiscal year. Initial efforts utilizing the services of the Government Human Resource Management Services (GHRM) were not successful and further efforts were in progress at the close of the fiscal year. The Commission expects to have the position filled in the second quarter of fiscal year 2009-2010.

Training and Development

The Commission continued to build its regulatory and supervisory capacities in the areas of market oversight, regulation and enforcement. In preparation for the re-design of its information management environment, the Commission also focused on skill development in network infrastructure and security, database, network penetration and firewall protection.

The staff across all levels of the Commission benefitted from forty-five (45) training opportunities during the year. Thirty-two (32) of these programs were offered locally and thirteen (13) overseas. These programs served to enrich the human resource capital by increasing staff competence in the respective core areas. Some of the programs included Anti-Money Laundering, discussions on Regulatory Structure, Mergers & Acquisitions, and the Detection of Fraud.

For the fiscal period 2009, the Commission participated in leading international and regional forums on the development and regulation of the securities markets. These included the Annual Conference and Technical Committee Meetings of the International Organization of Securities Commissions (IOSCO), and meetings of the Council of Securities Regulators of the Americas (COSRA) and the Caribbean Group of Securities Regulators (CGSR).

STAFF OF THE COMMISSION



Standing, l-r:

- Suresh Gobin • Abigail Baird
- Gerard Pierre • Krystal Fancette
- Kevin Deopersad

Seated:

- Michelle Rojas-Britto
- Reshma Guptar



Standing, l-r:

- Rosalind King • Janine Carrera
- Craig Cumberbatch

Seated:

- Ayoub Barcoo
- Afeisha Hewitt-Titus



Standing, l-r:

- Cylette Thomas
- Kolette Walters
- Darcelle Barran
- Tayeb Bostic • Anira Abraham
- Leslie Clarke • Frank Isaac

Seated:

- Anderson Sooparlie
- Nikita Deobhajan
- Ria Badree
- Hazel Ramsingh-Persad

Missing:

- Arlene Francis
- Mariella Woodruffe



Standing, l-r:

- Timothy Mar • Carol Noel
- Khaleel O'Brien
- Charmaine Howard
- Curlene James

Seated:

- Lystra Lucillio

- Missing:** • Bevan Gibson

STAFF OF THE COMMISSION



Standing, l-r:

- Amberlene Joseph • Patrice Hernandez
- Cheryl Cameron • Kavena Ramsoobhag

Seated:

- Nina Antoine • Charles de Silva
- Anushka Maharajh



Standing:

- Rachael Rampersad

Seated:

- Arlene Popplewell-Stephen



Standing, l-r:

- Deborah Boynes • Rhonda Simmons-Doyle • Raphael Romany • Cindy Phillip

Seated:

- Ava Solomon

APPENDICES

Table A1: BROKERS

	BROKERS	COMPANY
1	Akan, Myrnelle	AIC Securities Limited
2	Alexander, Lisa-Maria	Dehring, Bunting & Golding (Trinidad) Limited
3	Ali, Salma	West Indian Stockbrokers Limited
4	Alleyne, Harold	Caribbean Stockbrokers Limited
5	Carrera-Justiz, Francisco	Independent
6	Clarke, Peter	Independent
7	Darbasie, Karen	Citicorp Merchant Bank Limited
8	Fadahunsi, Lai	AIC Securities Limited
9	Gosein, Godfrey	Republic Securities Limited
10	Ho Sing Loy, Ameen	Citicorp Merchant Bank Limited
11	Husain, Syed	Independent
12	Johnson, Alvin	Caribbean Stockbrokers Limited
13	Khodai, Keshwar	First Citizens Bank Limited
14	Lashley, Maria	Trinidad and Tobago Unit Trust Corporation
15	Maharaj, Varun	Ansa Merchant Bank Limited & Ansa Securities Limited
16	Manmohan, Adrian	West Indian Stockbrokers Limited
17	Mayers, Robert	Caribbean Money Market Brokers Limited
18	Montes, Francisco	Independent
19	Mullings, Donavan	Bourse Brokers Limited
20	Narine, Ian	Dehring, Bunting & Golding (Trinidad) Limited
21	Padmore, Winston	Independent
22	Pariagh, Edgar	CMMB Securities and Asset Management Limited
23	Ramkhelawan, Subhas	Bourse Securities Limited
24	Salvary, Brent	CMMB Securities and Asset Management Limited
25	Seebaran, Madree	Bourse Securities Limited
26	Sheppard, George	West Indian Stockbrokers Limited
27	St. Louis, Leslie	CMMB Securities and Asset Management Limited
28	Supersad, Sabrina	Intercommercial Trust and Merchant Bank Limited
29	Thomas, Rowland	Scotia Investments Trinidad and Tobago Limited

Table A2: INVESTMENT ADVISORS

1	Alpha Savings & Trust Limited	13	Guardian Life of the Caribbean Limited
2	Altus Company Limited	14	International Wealth and Investment Network Limited
3	Burris, Stephen	15	Involve Financial Limited
4	Caribbean Development Capital Limited	16	Marquis Portfolio Managers Limited
5	Caribbean Investment Management Company (Trinidad) Limited	17	Mondial (Trinidad) Limited
6	Clewett, Nigel	18	Mottley, Wendell
7	Douglas, George	19	Quan Soon, Ian
8	Dynamic Equity Limited	20	RBTT Asset Management Limited
9	FCL Financial Limited	21	Republic Securities Limited
10	FirstCaribbean International Bank (Trinidad & Tobago) Limited	22	The Beacon Asset Management Limited
11	Funds International Limited	23	Valley, Kenneth
12	Global Financial Brokers Limited	24	Vega Capital Management Limited
		25	Welthecon Investment Managers Limited

Table A3: REPORTING ISSUERS

1	Add Venture Capital Fund Limited	36	Jamaica Money Market Brokers Limited
2	Agostini's Limited	37	Jamaica Public Service Company Limited
3	AIC Corporate Fund Inc.	38	Jamaica Select Index Fund Limited
4	Airports Authority of Trinidad and Tobago	39	L.J. Williams Limited
5	Alstons Limited	40	La Brea Industrial Development Company Limited
6	Angostura (Barbados) Limited	41	Life Settlements Funds Limited
7	Angostura Holdings Limited	42	MEGA Insurance Company Limited
8	Angostura Limited	43	Mora Ven Holdings Limited
9	ANSA McAL Limited	44	National Commercial Bank Jamaica Limited
10	Ansa Merchant Bank Limited	45	National Enterprises Limited
11	BCB Holdings Limited	46	National Flour Mills Limited
12	Berger Paints Trinidad Limited	47	National Infrastructure Development Company Limited
13	BWIA West Indies Airways Limited	48	National Insurance Property Development Company Limited
14	Capital and Credit Financial Group Limited	49	National Maintenance Training and Security Company Limited
15	Capital and Credit Merchant Bank Limited	50	Neal & Massy Holdings Limited
16	Caroni (1975) Limited	51	Nestle Trinidad and Tobago Limited
17	Citibank (Trinidad and Tobago) Limited	52	One Caribbean Media Limited
18	Citicorp Merchant Bank Limited	53	Pan Caribbean Asset Management Limited
19	CLICO Investment Bank Limited*	54	Point Lisas Industrial Port Development Corporation Limited
20	Cool Petroleum (St. Lucia) Limited	55	Port Authority of Trinidad and Tobago
21	Development Finance Limited	56	Prestige Holdings Limited
22	Dynamic Equity Fund II Limited	57	Public Transport Service Corporation
23	Dynamic Equity Venture Fund Limited	58	RBC Holdings (Trinidad and Tobago) Limited
24	Education Facilities Company limited	59	RBTT Bank Barbados Limited
25	Empresa Generadora de Electricidad Haina S.A. (EGE Haina)	60	RBTT Bank Limited
26	First Citizens Asset Management Limited	61	RBTT Finance Limited
27	First Citizens Bank Limited	62	RBTT Financial Holdings Limited
28	FirstCaribbean International Bank Limited	63	RBTT Merchant Bank Limited
29	Flavorite Foods Limited	64	Readymix (West Indies) Limited
30	FNCU Venture Capital Company Limited	65	Republic Bank Limited
31	Fortress Caribbean Property Fund Limited	66	Republic Finance and Merchant Bank Limited
32	Furness Trinidad Limited*	67	Royal Bank of Canada
33	GraceKennedy Limited		
34	Guardian Holdings Limited		
35	Intercommercial Bank Limited		

* These companies have not yet been officially removed from the Commission's registry

APPENDICES

Table A3: REPORTING ISSUERS (continued)

68	Royal Skandia Life Assurance Limited	85	The Vehicle Management Corporation of Trinidad & Tobago Limited
69	Sagicor Financial Corporation	86	The West Indian Tobacco Company Limited
70	Sagicor Funds Incorporated	87	Tourism & Industrial Development Company of Trinidad and Tobago Limited
71	Sagicor Merchant Limited	88	Transjamaican Highway Limited
72	Schroder Investment Management (Luxembourg) S.A.	89	Trinidad & Tobago Housing Development Corporation
73	Scotia DB&G Caribbean Income Fund	90	Trinidad and Tobago Mortgage Finance Company Limited
74	Scotia DBG Investments Limited	91	Trinidad and Tobago Unit Trust Corporation
75	Scotiabank Trinidad and Tobago Limited	92	Trinidad Cement Limited
76	St. Christopher Air and Sea Ports Authority	93	Trinidad Publishing Company Limited
77	St. Kitts Urban Development Corporation Limited	94	Trinidad Select Index Fund Limited
78	Supreme Ventures Limited	95	Unilever Caribbean Limited
79	TCL Leasing Limited	96	Unit Trust Corporation (Cayman) SPC Limited
80	TCL Service Limited	97	Urban Development Corporation of Trinidad and Tobago Limited
81	Telecommunications Services of Trinidad and Tobago Limited	98	Valpark Shopping Plaza Limited*
82	The Barbados Shipping & Trading Company Limited	99	VT Umbrella Fund PCC Limited
83	The Home Mortgage Bank	100	Water and Sewerage Authority
84	The National Football Stadium Company Limited		

** These companies have not yet been officially removed from the Commission's registry*

Table A4: TRADERS

	TRADERS	COMPANY
1	Basdeo, Roshan	Bourse Securities Limited
2	Bridgewater, Joanne	Republic Securities Limited
3	Chen, Nancy	West Indian Stockbrokers Limited
4	Eve, Patricia	Republic Securities Limited
5	Fletcher, Clair	West Indian Stockbrokers Limited
6	Gajadhar, Kerry	Caribbean Stockbrokers Limited
7	Ghany, Rianna	First Citizens Bank Limited
8	Innis-Bernard, Judy	Republic Securities Limited
9	Mahabirsingh, Sherma	Caribbean Money Market Brokers Limited
10	Martineau, Dan	Ansa Merchant Bank Limited
11	Melville, Cecila	Citicorp Merchant Bank Limited
12	Mohammed, Shaun	Bourse Brokers Limited
13	Ramkhelawan, Sarodh	Bourse Brokers Limited
14	Ramnath-Singh, Gail	Caribbean Stockbrokers Limited
15	Salloum, Christiane	CMMB Securities and Asset Management Limited
16	Sammy, Indira	CMMB Securities and Asset Management Limited
17	Savary, Hilary	AIC Securities Limited
18	Viera, Lisa Ann	AIC Securities Limited
19	Wallace, Chivonne	First Citizens Bank Limited
20	Wells-Fraser, Bernadette	AIC Securities Limited

Table A5: UNDERWRITERS

1	FirstCaribbean International Bank (Bahamas) Limited
2	FirstCaribbean International Bank (Trinidad & Tobago) Limited

APPENDICES

Table A6: SECURITIES COMPANIES

	SECURITIES COMPANY NAME	CLASSES OF BUSINESS
1	AIC Capital Market Brokers Limited	Dealer, Investment Adviser, Underwriter
2	AIC Securities Limited	Broker, Dealer, Investment Advisor, Underwriter
3	Ansa Merchant Bank Limited	Dealer, Investment Adviser, Underwriter
4	Ansa Securities Limited	Broker (G), Dealer, Investment Advisor, Underwriter
5	Bourse Brokers Limited	Broker, Dealer
6	Bourse Securities Limited	Broker, Dealer, Investment Advisor, Underwriter
7	Caribbean Money Market Brokers Limited	Broker, Dealer, Investment Advisor, Underwriter
8	Caribbean Stockbrokers Limited	Broker, Dealer, Investment Advisor, Underwriter
9	Citicorp Merchant Bank Limited	Broker (G), Dealer, Investment Advisor, Underwriter
10	CLICO Investment Bank Limited	
11	CMMB Securities and Asset Management Limited	Broker, Dealer, Investment Advisor, Underwriter
12	Development Finance Limited	Dealer, Investment Adviser, Underwriter
13	First Citizens Asset Management Limited	Dealer, Investment Adviser, Underwriter
14	First Citizens Bank Limited	Broker (G), Investment Adviser, Underwriter
15	First Citizens Securities Trading Limited	Dealer, Investment Adviser, Underwriter
16	First Global (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
17	FirstCaribbean International Bank (Trinidad & Tobago) Limited	Broker (G)
18	Firstline Securities Limited	Dealer, Investment Adviser, Underwriter
19	General Finance Corporation Limited	Dealer, Investment Adviser, Underwriter
20	Guardian Asset Management Limited	Dealer, Investment Adviser, Underwriter
21	Intercommercial Bank Limited	Broker, Dealer, Investment Advisor, Underwriter
22	Intercommercial Trust and Merchant Bank Limited	Dealer, Investment Advisor, Underwriter
23	RBTT Merchant Bank Limited	Dealer, Underwriter
24	Republic Bank Limited	Dealer, Investment Adviser, Underwriter
25	Republic Finance and Merchant Bank Limited	Underwriter
26	Republic Securities Limited	Broker
27	Sagicor Life Incorporated	Dealer, Investment Adviser, Underwriter
28	Scotia Investments Trinidad and Tobago Limited	Broker, Dealer, Investment Advisor, Underwriter
29	Scotiabank Trinidad and Tobago Limited	Underwriter
30	Scotiabank and Merchant Bank (Trinidad and Tobago) Limited	Dealer, Investment Adviser, Underwriter
31	Sheppard Securities Limited	Broker
32	Trinidad and Tobago Unit Trust Corporation	Broker (G), Dealer, Investment Advisor, Underwriter
33	West Indies Stockbrokers Limited	Broker, Dealer, Investment Advisor, Underwriter

Table A7: SELF REGULATORY ORGANIZATIONS

1	The Trinidad & Tobago Stock Exchange Limited
2	The Trinidad and Tobago Central Depository Limited

APPENDICES

Table A8: EQUITIES REGISTERED BY THE COMMISSION: October 1, 2008 - September 30, 2009

Issuer	Type	Type of Shares	Description	No. of Shares	Value of Shares in TT\$	Registration Date
ANSA McAL Limited	ESOP	Ordinary	Ansa McAl Limited 130,000 Ordinary Shares pursuant to its Executive Stock Option Plan	130,000	\$1,300,000.00	31-Oct-08
ANSA McAL Limited	ESOP	Ordinary	Ansa Mc Al 424493 ordinary shares pursuant to ESOP	424,493	\$4,682,157.79	3-Aug-09
Republic Bank Limited	ESOP	Ordinary	Republic Bank Limited 213,756 ordinary shares pursuant to ESOP	213,756	\$16,839,697.68	14-Jul-09
Sagikor Financial Corporation	ESOP	Ordinary	Sagikor Financial Corporation 800,916 Series A Common Shares pursuant to LTIP	800,916	\$10,868,769.66	3-Aug-09
GraceKennedy Limited	ESOP	Ordinary	GraceKennedy Limited 127,300 ordinary shares pursuant to Employee Share Scheme	127,300	\$687,254.51	28-Nov-08
GraceKennedy Limited	ESOP	Ordinary	GraceKennedy Limited 400 ordinary shares pursuant to Employee Share Scheme	400	\$1,877.88	17-Aug-09
Sub-Total	ESOP - Ordinary Shares			1,696,865	\$34,379,758	
BCB Holdings Limited*	Cross Listing	Ordinary	BCB Holdings Limited 103,642,984	103,642,984	\$ -	3-Aug-09
Sub-Total	Cross Listing			103,642,984		
GraceKennedy Limited	MSOP	Ordinary	GraceKennedy Limited 88,607 ordinary shares pursuant to MSOP	88,607	\$317,594.07	31-Oct-08
GraceKennedy Limited	MSOP	Ordinary	GraceKennedy Limited 11,000 Ordinary Shares pursuant to MSOP	11,000	\$32,587.99	17-Aug-09
Prestige Holdings Limited	MSOP	Ordinary	Prestige Holdings Limited 46,580 Ordinary Shares pursuant to MSOP	46,580	\$116,450.00	14-Jul-09
Sub-Total	MSOP-Ordinary Shares			146,187	\$466,632.06	
				105,486,036	\$34,846,389.58	

* BCB Holdings was registered in September before a price was assigned. It was listed in October.

Table A9: DERIVATIVE SECURITIES REGISTERED BY THE COMMISSION:
October 1, 2008 - September 30, 2009

Issuer	Issue Name	Issue Type	Currency Type	Face Value	Registration Date
Citicorp Merchant Bank Limited	Citicorp Merchant Bank Limited TT\$523,235,317.43 (Face Value) Certificates of Participation in the National Infrastructure Development Company Limited TT \$344,750,000 Fixed Rate Bond due 2024	Certificates of Participation	TT\$	\$523,235,317.43	12-Aug-09
RBTT Merchant Bank Limited	RBTT Merchant Bank Limited TT\$75,011,788.59 Certificates of Participation in the TT\$71,515,000.00 Port Authority of Trinidad and Tobago Fixed Rate Loan	Certificates of Participation	TT\$	\$75,011,788.59	15-May-09
Republic Finance and Merchant Bank Limited	Republic Finance and Merchant Bank Limited TT\$151,393,784.15 Face Value Certificates of Participation in Trinidad Cement Limited TT\$315,000,000 9.10% Fixed Rate Bond due 2022	Certificates of Participation	TT\$	\$151,393,784.15	18-Jun-09
Scotiabank Trinidad and Tobago Limited	Scotiabank (Trinidad & Tobago) Limited TT\$277,216,388.89 Certificates of Participation in a TCL Leasing Limited TT\$187,000,000 8.75% Secured Fixed Rate Bond due 2018	Certificates of Participation	TT\$	\$277,216,388.89	22-Dec-08
Scotiabank Trinidad and Tobago Limited	Scotiabank Trinidad and Tobago Limited TT \$1,000,000,000 Mortgage Investment Certificates to be issued in two (2) series: Series 1: TT\$700 million for less than 3 years at 6% to 8.5%	Mortgage Backed Securities	TT\$	\$700,000,000.00	26-Feb-09
Scotiabank Trinidad and Tobago Limited	Scotiabank Trinidad and Tobago Limited TT \$1,000,000,000 Mortgage Investment Certificates to be issued in two (2) Series: Series 2: TT\$300 million for 3 to 20 years at more than 8.5%	Mortgage Backed Securities	TT\$	\$300,000,000.00	26-Feb-09
Grand Total				\$2,026,857,279.06	

Table A10 now a pullout page

INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS OF
THE TRINIDAD & TOBAGO SECURITIES AND EXCHANGE COMMISSION

Report on the financial statements

We have audited the accompanying financial statements of The Trinidad & Tobago Securities and Exchange Commission, which comprise the balance sheet as of 30 September 2009 and the income and expenditure account, statement of changes in accumulated surplus and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Trinidad & Tobago Securities and Exchange Commission as of 30 September 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers" in a cursive, flowing script.

PRICEWATERHOUSECOOPERS

Port of Spain,

Trinidad, West Indies

28 January 2010


BALANCE SHEET

(Expressed in Trinidad and Tobago Dollars)

	Notes	30 September	
		2009 \$	2008 \$
ASSETS			
Non-Current Assets			
Leasehold improvements and equipment	4	6,711,184	6,552,560
Current Assets			
Prepayments and other receivables	5	937,393	5,000
Fixed deposits		15,519,754	5,290,079
Cash at bank		12,642,654	14,258,428
Taxation recoverable		112,977	-
		29,212,778	19,553,507
Total Assets		35,923,962	26,106,067
ACCUMULATED SURPLUS AND LIABILITIES			
Accumulated Surplus			
		28,709,175	26,038,335
Non-Current Liabilities			
Deferred Government Subvention	11	6,500,000	-
Current Liabilities			
Accrued charges		714,787	67,732
Total Liabilities		7,214,787	67,732
Total Accumulated Surplus and Liabilities		35,923,962	26,106,067

The notes on pages 39 to 47 form an integral part of these financial statements.

On 28 January 2010, the Commissioners of The Trinidad & Tobago Securities and Exchange Commission authorised these financial statements for issue.

Commissioner : 

Commissioner : 

Chairman : 

INCOME AND EXPENDITURE ACCOUNT

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year Ended 30 September	
		2009 \$	2008 \$
Income			
Registration fees		8,156,378	9,048,016
Government subvention		16,871,000	23,371,000
Interest		429,983	523,794
Other income		8,720	35,105
		<u>25,466,081</u>	<u>32,977,915</u>
Expenses			
Administration		(2,105,965)	(4,679,344)
Finance		(6,784)	(10,960)
Operating		(20,699,284)	(24,816,085)
	6	<u>(22,812,033)</u>	<u>(29,506,389)</u>
Surplus before Taxation		2,654,048	3,471,526
Taxation	7	16,792	(89,373)
Net Surplus		<u>2,670,840</u>	<u>3,382,153</u>

The notes on pages 39 to 47 form an integral part of these financial statements.

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

(Expressed in Trinidad and Tobago Dollars)

	Year Ended 30 September	
	2009 \$	2008 \$
Balance at beginning of year	26,038,335	22,656,182
Net Surplus	2,670,840	3,382,153
Balance at end of year	28,709,175	26,038,335

The notes on pages 39 to 47 form an integral part of these financial statements.

CASH FLOW STATEMENT

(Expressed in Trinidad and Tobago Dollars)

	Year Ended 30 September	
	2009 \$	2008 \$
Operating Activities		
Surplus before taxation	2,654,048	3,471,526
Adjustment to reconcile deficit to net cash from operating activities:		
Depreciation	1,732,779	1,957,678
(Gain)/loss on disposal of leasehold improvements and equipment	(9,531)	21,273
Net change in operating assets and liabilities	6,214,662	480,796
	<u>10,591,958</u>	<u>5,931,273</u>
Taxation paid net of tax refund	(96,184)	(89,373)
Net Cash Inflow from Operating Activities	<u>10,495,774</u>	<u>5,841,900</u>
Investing Activities		
Purchase of leasehold improvements and equipment	(1,932,443)	(999,330)
Proceeds from disposals leasehold improvements and equipment	50,570	297,494
Net Cash Outflow from Investing Activities	<u>(1,881,872)</u>	<u>(701,836)</u>
Increase in Cash and Cash Equivalents	<u>8,613,901</u>	<u>5,140,064</u>
Cash and Cash Equivalents		
At beginning of year	19,548,507	14,408,443
Increase	8,613,901	5,140,064
End of year	<u>28,162,408</u>	<u>19,548,507</u>
Represented by:		
Cash	12,642,654	14,258,428
Fixed deposits	15,519,754	5,290,079
	<u>28,162,408</u>	<u>19,548,507</u>

The notes on pages 39 to 47 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

(Expressed in Trinidad and Tobago Dollars)

1 General Information

The Trinidad & 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 authorised by the Commission.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(a) Interpretations effective in 2008 but not relevant

The following interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Company's operations:

- IFRIC 12, 'Service concession arrangements'; and
- IFRIC 13, 'Customer loyalty programmes'.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods, but the Company has not early adopted them:

- IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 (Revised) from 1 October 2009. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009 (continued)

(Expressed in Trinidad and Tobago Dollars)

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

- (c) *Amendments to existing standards that are not yet effective and not relevant for the Company's operations*

The following amendment to an existing standard has been published and is mandatory for the Company's accounting period beginning on 1 October 2009 but is not relevant for the Company's operations:

- IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Company's operations because none of its ordinary activities comprise renting and subsequently selling assets.

2.2 Foreign currency translation

- (i) *Functional and presentation currency*

Items included in the financial statements of the Commission are measured using currency of the primary economic environment in which the Commission operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Commission's functional and presentation currency.

- (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income and Expenditure Account.

2.3 Leasehold improvements and equipment

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

Office equipment	-	10 % - 25%
Leasehold improvements	-	20% - (Straight line)
Computer equipment	-	25%
Artwork and fixtures and fittings	-	10%
Motor vehicles	-	25%

Gains and losses on disposal of equipment are determined by comparing proceeds with carrying amounts and are included in surplus before taxation.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, and deposits held at call with banks, with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (continued)

2.5 Pension

The Commission has established a defined contribution plan effective March 2005. Contributions are recognised as an expense when due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

2.6 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.

2.7 Revenue recognition

Interest income is recognised as it accrues to the Commission.

Fees charged by the Commission are recognised as income when services are provided.

2.8 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.

Fees charged by the Commission are recognised as revenue when services are provided.

2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income and expenditure account over the period of the lease.

2.10 Government subventions

Government subventions are made to the Commission in accordance with an annual budget to defray capital and operating expenditure not covered by fees from operations. There are no contingencies attached to the receipt of these subventions.

Government subventions relating to operating expenditure are recognised in the income statement as income representing immediate financial support in the period in which it becomes receivable.

Government subventions relating to property, plant and equipment are included in non-current liabilities as deferred government subventions and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009 (continued)

(Expressed in Trinidad and Tobago Dollars)

2 **Summary of Significant Accounting Policies** (continued)

2.11 **Financial assets**

The Commission classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification is determined at initial recognition.

3 **Financial Risk Management**

The Commission's activities do not expose it to any significant financial risks: market risk (including currency risk, fair value interest rate and price risk), credit risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

(Expressed in Trinidad and Tobago Dollars)

4 Leasehold Improvements and Equipment

	Leasehold Improvements	Office Equipment	Computer Equipment	Artwork and Fixtures and Fittings	Motor Vehicles	Capital Work in Progress	Total
Year ended 30 September, 2009							
Opening net book amount	1,130,851	2,511,258	2,156,783	574,794	178,874	-	6,552,560
Additions	2,875	41,101	102,556	-	169,118	1,616,793	1,932,443
Disposals	-	(258)	(5,715)	-	(35,067)	-	(41,040)
Depreciation	(436,176)	(619,068)	(558,094)	(55,296)	(64,145)	-	(1,732,779)
Closing net book amount	697,550	1,933,033	1,695,530	519,498	248,780	1,616,793	6,711,184
At 30 September, 2009							
Cost	2,183,496	5,048,475	5,263,266	947,391	415,868	1,616,793	15,475,289
Accumulated depreciation	(1,485,946)	(3,115,442)	(3,567,736)	(427,892)	(167,088)	-	(8,764,104)
Net book amount	697,550	1,933,033	1,695,530	519,498	248,780	1,616,793	6,711,184
Year ended 30 September, 2008							
Opening net book amount	1,566,975	3,091,343	1,974,132	606,876	590,349	-	7,829,675
Additions	-	158,461	808,369	32,500	-	-	999,330
Disposal	-	(9,715)	-	-	(309,052)	-	(318,767)
Depreciation	(436,124)	(728,831)	(625,718)	(64,582)	(102,423)	-	(1,957,678)
Closing net book amount	1,130,851	2,511,258	2,156,783	574,794	178,874	-	6,552,560
At 30 September, 2008							
Cost	2,180,621	5,015,148	5,206,629	947,391	373,412	-	13,723,201
Accumulated depreciation	(1,049,770)	(2,503,890)	(3,049,846)	(372,597)	(194,538)	-	(7,170,641)
Net book amount	1,130,851	2,511,258	2,156,783	574,794	178,874	-	6,552,560
At 30 September, 2007							
Cost	2,180,621	4,866,172	4,398,260	914,891	862,258	-	13,222,202
Accumulated depreciation	(613,646)	(1,774,829)	(2,424,128)	(308,015)	(271,909)	-	(5,392,527)
Net book amount	1,566,975	3,091,343	1,974,132	606,876	590,349	-	7,829,675

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009 (continued)

(Expressed in Trinidad and Tobago Dollars)

5	Prepayments and Other Receivables	2009	2008
		\$	\$
	Prepayments	724,393	5,000
	Other receivables	213,000	-
		937,393	5,000
6	Expenses by Nature		
	Public education & advertising	698,265	705,750
	Consultancy	1,591,724	1,560,020
	Employee salaries & benefit expense (Note 9)	9,566,118	9,408,772
	Commissioner's fees	193,213	214,901
	Depreciation	1,732,778	1,957,679
	Legal and professional fees	321,028	750,080
	Investigation	136,302	1,341,331
	Telephone	342,715	441,482
	Rent/property expenses	4,222,973	4,471,600
	Training & seminars	1,089,485	1,671,388
	Other expenses	908,461	761,211
	Withholding tax	-	471,275
	Utilities	326,771	523,203
	Computer related expenses	225,295	263,223
	Motor vehicle expenses	547,813	685,005
	Office supplies	265,196	263,090
	Library & subscriptions expenses	204,240	340,821
	Printing and reproduction	232,271	252,644
	Managed funds study	66,290	-
	HRIS and balance scorecard	141,095	-
	Depository receipts programme	-	3,422,914
	Total expenses	22,812,033	29,506,389

*Depository receipt programme

*The expense incurred in the prior year related to the drafting of a regulatory framework for the issue of depository receipts as securities in Trinidad and Tobago.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

(Expressed in Trinidad and Tobago Dollars)

7 Taxation

	2009 \$	2008 \$
Business levy – prior year	(41,703)	–
– current year	30,510	59,583
Green fund levy – prior year	(20,854)	29,790
– current year	15,255	–
	<u>16,792</u>	<u>89,373</u>

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

	2009 \$	2008 \$
Surplus before taxation	<u>2,654,048</u>	<u>3,471,526</u>
Corporation tax at the statutory rate of 25%	663,512	867,882
Expenses not deductible for tax purposes	–	2,199
Expenses reimbursed by the government subventions	3,554,237	4,972,669
Government subventions not subject to taxation	(4,217,750)	(5,842,750)
Business levy	(11,192)	59,583
Green fund levy	(5,599)	29,790
Current tax charge	<u>16,792</u>	<u>89,373</u>

- b) The Commission is required to pay Business Levy at 0.20% of total revenue. Business Levy only takes effect when it exceeds the current corporation tax liability.
- c) The Commission has tax losses of approximately \$950,000 (2008 - \$1,500,000) available for set off against future taxable profits. These losses have not yet been approved by the Board of Inland Revenue.

No deferred tax asset relating to these losses has been recognised due to uncertain timing of their recovery.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009 (continued)

(Expressed in Trinidad and Tobago Dollars)

8 Employee Benefit Expense

	2009 \$	2008 \$
Salaries, national insurance and other staff expenses	8,746,139	8,658,969
Pension costs	819,979	749,803
	<u>9,566,118</u>	<u>9,408,772</u>
Average number of employees	<u>48</u>	<u>43</u>
Included in the amount is key management compensation as follows:		
Salaries and other benefits	<u>3,624,130</u>	<u>3,234,251</u>

9 Capital and Operating Lease Commitments

Operating lease commitments

The future minimum lease payments relating to the rental of premises and vehicles are as follows:

	2009 \$	2008 \$
Not later than 1 year	2,828,448	3,584,936
Later than 1 year and not later than 5 years	179,636	2,669,638
	<u>3,008,084</u>	<u>6,254,574</u>
Capital commitments		
Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:		
Computer equipment	<u>4,738,643</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

(Expressed in Trinidad and Tobago Dollars)

10 Financial Instruments by Category

The accounting policies for financial instruments have been applied to the line items below:

	2009 \$	2008 \$
Loans and receivables		
Fixed deposits	15,519,754	5,290,079
Cash at bank	12,910,199	14,258,428
	<u>28,429,953</u>	<u>19,548,507</u>

11 Deferred Government Subvention

Balance at beginning of year	-	-
Amounts received	6,500,000	-
Amounts transferred to Income Statement	-	-
	<u>6,500,000</u>	<u>-</u>

The deferred government subvention received during the financial period relates to funds allocated towards the Commission's Server Consolidation Project which was in progress at year end.



COMPLAINTS /QUERIES :

To enquire about or lodge a complaint on any matter concerning either a registrant, a security registered with the Commission, any other security or any person engaged in securities transactions, please contact the Commission's Division of Market Regulation and Surveillance by mail, facsimile or telephone.



FOR ADDITIONAL COPIES OF THIS REPORT, WRITE TO:

TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

57-59 Dundonald Street, Port of Spain, Trinidad, W.I.

Telephone: (868) 624-2991 / 3017

Facsimile: (868) 624-2995

E-mail: ttsec@ttsec.org.tt

Website: www.ttsec.org.tt