



**Securities and Exchange Commission
COMMUNICATIONS UNIT
57-59 Dundonald Street
Port of Spain**

MEDIA RELEASE

November 16th, 2007

On Friday 16th November 2007 Mr. Osborne Nurse Chairman and CEO of the Trinidad and Tobago Securities and Exchange Commission (the Commission) delivered the feature address at a breakfast meeting hosted by Price Waterhouse Coopers for their clients and other interested parties at the Queens Park Cricket Club Banquet Hall.

In delivering the feature address on the topic “**Employee and Management Stock Option programmes**” (ESOPs, MSOPs) Mr. Nurse indicated that the key to securities regulation and the protection of investors lies in disclosure – adequate, prompt and public disclosure of material changes and information about the fortunes of the securities in which investors have placed their funds.

He further stated that in order to protect investors, the Commission manages a disclosure regime that includes the registration of issuers and securities issues, the registration of market participants and the filing of periodic financial information. This regime therefore helps to provide investors with data on the performance of the securities in which they have invested, the entities that have issued such securities and the market participants through whom investors deal in the securities in order to enable them to make informed and rational decisions.

In his address Mr. Nurse noted that while ESOPs and MSOPs have attained popularity as elements of deferred compensation for the employees, managers and directors of major companies, they involve the issue of securities of the entities and therefore fall under the jurisdiction of the Commission. Further it was stated that thus far the market has not given much cognizance of the fact that **both** the options that are granted and the securities that are eventually issued on exercise of the options are securities. Consequently they **both** come under the purview of the Securities Industry Act 1995 and are subject to regulation under the Act, including registration, the payment of registration and market access fees as well as public reporting.

Mr. Nurse stressed that the Commission has adopted an open approach of consultation with the marketplace in dealing with its interpretation of the Act and in setting out guidelines for the assistance of the market in many areas. To that end in August 2007, the Commission submitted to the market a draft of a proposed regime for the regulation of ESOP and MSOP programmes and has taken note of some of the comments that have already been made.

In closing Mr. Nurse stated that the Commission's approach is not towards limiting the use and applicability of such plans, but to facilitate their implementation against a background of a much clearer statement of the rules that apply, particularly those related to disclosure and compliance with disclosure requirements. As such the regime that the Commission is considering for the regulation of ESOP and MSOP programmes will be based on the following disclosures and reports:

- Disclosure of the approval of shareholders for the establishment of the ESOP and MSOP programmes.
- Disclosure of the mechanism for setting the exercise price of the options and how the options may be converted.
- Disclosure of the number of options granted, the identities of the beneficiaries, the time of the grant, the exercise price and the vesting period.
- Disclosure of :
 - the number of shares actually taken up by the exercise of options by each beneficiary at the end of the vesting period,
 - the number of shares that were registered for issue at that time
 - the disposition of any shares that were issued but not taken up.

The Chairman's full address can be viewed on the Commission's website at www.ttsec.org.tt

END OF RELEASE

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