



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

***MEDIA RELEASE***

November 20<sup>th</sup>, 2007

On Tuesday November 20<sup>th</sup> 2007 Mr. Osborne Nurse Chairman and CEO of the Trinidad and Tobago Securities and Exchange Commission (the Commission) delivered an address at a breakfast meeting hosted by KPMG at the Cascadia Hotel, Ariapita Road St Anns.

In delivering the address on the topic "Money laundering- Risk and Mitigation in the Securities Industry" Mr. Nurse indicated that money laundering is a crime that deserves serious attention by securities firms. Under the Proceeds of Crime Act (POCA), securities dealers and investment managers *are* subject to significant compliance obligations and to criminal money laundering provisions. Securities firms therefore need to be aware of the grave risks that they face if they allow others to launder money through their institutions.

Mr. Nurse stressed that securities firms are major global financial institutions, either being integral parts of global institutions, or being accessible through their networks of relationships and contacts. The use of our financial system and the global system as well, by criminals to facilitate fraud, could well taint our vibrant capital markets. Securities firms face large monetary fines and forfeiture provisions that are part and parcel of the existing money laundering laws when they are used to launder profits derived from illegal activities. The POCA provides for fines as high as \$10 million dollars and \$25 million dollars for certain offences which could seriously impact the financial stability of a securities firm, since the minimum required capital for a securities firm in Trinidad and Tobago is only five (5) million dollars.

The Chairman stated that the Commission has been developing a regime of rules and guidelines that are designed to focus its attention on money laundering and counter terrorist financing, for which there are two goals. First, the SEC hopes to ensure that all firms in the securities industry institute policies and procedures to combat money laundering. Second, the Commission hopes that its interest will spur those firms who already have anti-money laundering programs to ensure that they are being implemented effectively. The Chairman also identified several examples of "common

sense" risk indicators that may be used to trigger additional scrutiny both during the account opening process as well as during the customer account activity.

In regard to the use of nominee accounts and of trust accounts Mr. Nurse stated that the Commission was prepared to receive strong resistance in regard to the international standards of Money Laundering rules that prohibit dealing and trading in such accounts. He further indicated that the concern for the Commission was not so much the existence of such accounts, but that there be standards of disclosure that must be met in relation to such accounts which provide for the identification of the trustee and all beneficiaries of those accounts. This information must be made available to the securities company that may be conducting transactions on behalf of such accounts and by the regulators when they are conducting oversight or investigatory activities.

Mr. Nurse ended by stating that the Commission's goal is to ensure that Trinidad and Tobago's capital market remains fair, stable and attractive to investors and issuers from all parts of the world. As such it will be publishing its guidelines in these areas shortly and looks forward to the ready and comprehensive compliance by all participants in the securities industry.

The Chairman's full address can be viewed on the Commission's website at [www.ttsec.org.tt](http://www.ttsec.org.tt)

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