



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

NOTICE

Request for Comments on a Proposal by the Trinidad and Tobago Stock Exchange Limited to amend its Rules to include Government Bond Trading Rules

The Trinidad and Tobago Stock Exchange Limited (“the Exchange”), under cover of letter dated August 16, 2007, filed with the Trinidad and Tobago Securities and Exchange Commission (“the Commission”) pursuant to section 40(1) of the Securities Industry Act, 1995 (“the Act”), a statement of substance and purpose in respect of proposed Government Bond Trading Rules (“the Rules”). The purpose of the amendment is to implement trading in bonds issued by the Government of the Republic of Trinidad and Tobago through the use of the Exchange’s electronic trading platform (Horizon Automated Trading System).

The statement of the substance and purpose of the amendment submitted by the Exchange pursuant to the Act is as follows:

“Over the past months the Stock Exchange and the Central Bank, have engaged in discussions relative to the development of the secondary bond market. This process involves the utilization of the Exchange’s electronic trading platform to develop the Secondary market trading in the Government Bonds so that bonds are traded electronically using an automatic match system.

It is proposed that the electronic trading platform of the Exchange (the Horizon Trading System) will be used to pursue this initiative, which is driven by the Government of Trinidad and Tobago, is aimed at an organized system of trading government bonds, while simultaneously maintaining an efficient inventory of the ownership and transfer of these bonds. The Settlement of trades will be done through the Central Bank’s Real Time Gross Settlement System (RTGS) between the Participants and the Central Bank.

The overall vision is to develop the capital market in a manner that is sustainable and it is hoped that this initiative will generate a greater level of activity in the secondary bond market, and at

the same time provide a mechanism for other investment vehicles to be traded, such as corporate bonds and repurchase agreements. The formalizing of bond trading on the Stock Exchange will also provide an opportunity for investors to switch the nature of their investment depending on market options.

The participants in the process include the Government Securities Intermediaries (GSIs) as well as the securities firms and market actors who are already participants and members of the Stock Exchange. The rules for registration of the market actors are supported by the Policy Guidelines for Registration of Brokers, Dealers and Traders in Bonds and other Fixed Income Securities issued by the Securities and Exchange Commission.”

The proposed Rules are available on the Commission’s website at www.ttsec.org.tt

Interested persons are invited to submit written comments on the proposed Rules on or before September 7, 2007. These should be addressed to:

The General Manager
Trinidad and Tobago Securities and Exchange Commission
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August 16, 2007