

**WELCOME REMARKS AT THE OPENING CEREMONY OF
THE ANNUAL MEETING OF THE COUNCIL OF
SECURITIES REGULATORS OF THE AMERICAS
(COSRA)**

February 19th 2002

Trinidad Hilton & Conference Centre



ADDRESS BY-

MR. CARLTON ROBINSON, CHAIRMAN

TRINIDAD & TOBAGO SECURITIES & EXCHANGE COMMISSION

Senator the Honourable Conrad Enill, Minister in the Ministry of Finance, members of the Diplomatic Corps, members of the Council of Securities Regulators of the Americas, fellow Commissioners of the Trinidad and Tobago Securities and Exchange Commission, distinguished ladies and gentlemen.

It is with great pleasure that I welcome you to this Annual Conference of the Council of Securities Regulators of the Americas whose acronym is (COSRA). As this is the first occasion that a meeting of (COSRA) is being held in Trinidad and Tobago it may be useful if I could, for our Trinidad and Tobago audience tell you a bit of the organisation.

COSRA was established in 1992. Its primary objective is the development of linkages to stimulate a vibrant capital market in the Americas. To achieve this objective (COSRA) encourages and promotes regulatory, legal and structural reform within its member organisations and provides them with guidelines to encourage full and fair disclosure, effective market surveillance, enforcement of regulations and the observance of ethical conduct in securities business.

The hosting of this COSRA meeting is a significant event for the Trinidad and Tobago Securities and Exchange Commission, as we have been associated with this organisation since our establishment just under five years ago. Indeed, from time to time the Commission has sought guidance and assistance from several of our fellow regulators in the region as we sought to grapple with the several challenges encountered during these formative years.

One of the major challenges we have faced in our market has been in getting corporate issuers to comply with higher disclosure standards. Our experience to date is that corporate issuers are reluctant to comply with best practice requirements for adequate disclosure in offer documents or in dealings by directors and other insiders. This is partly due to the entrenched business culture to which they have become accustomed by keeping what they consider to be privileged information away from the public domain. The fact is that recent occurrences in even the more advanced securities markets have demonstrated quite clearly the importance of adequate disclosure by public entities and of sound corporate governance practices. The Commission is determined to encourage and enforce higher standards of disclosure and conduct in our securities market and we are taking the steps necessary to achieve this. Only last week we published on our website Prospectus Guidelines for the information of issuers and the general public. These guidelines describe in some detail the requirements for disclosure in offer

documents in cases where securities are being distributed or sold to the public. It is my hope that these guidelines will bring about some improvement in the quality of disclosures.

A further area of concern to the Commission is the development of a Take-over Code to protect the interests of minority shareholders. During the course of last year we published a draft code for public comment. Regrettably there was poor response to this invitation . Even when the final form of the Code is settled its enforcement can only be achieved by amendment to the Securities Industry Act and the Commission is in the process of securing these amendments.

The Commission has been constrained in taking enforcement action, to compel registrants to observe "best practice" or where the spirit of the legislation has been violated. This arose because the Commission lacked rule-making functions and had to rely exclusively on the expressed provisions of the Act. With the assistance of the COSRA we have been able to identify areas of priority for reform of the legislation and with the approval of the Ministry of Finance, we are currently finalising arrangements to procure consultancy services for the revision of the Securities Industry Act, 1995.

The Commission launched its website in March 2001. This site contains a wide range of information on registrants, registered securities and other educational material including, our recently posted *Prospectus Guidelines*. We also intend to use the website as a means of communicating more effectively with the investing public.

The importance of collaborating with other financial sector regulators is recognised to avoid opportunities for regulatory arbitrage. In this regard, the Commission is currently working closely with the Central Bank of Trinidad and Tobago towards reform of our payments and securities clearance and settlements systems. This is in order to bring them in line with international standards that are geared towards stability and integrity in regional and international payment systems. The operations of the Trinidad and Tobago Stock Exchange and the recently launched Central Depository will be the initial focus of this exercise.

While COSRA is actively pursuing the path of integration of regional capital markets the efforts of CARICOM member states to harmonise financial services is of direct relevance to the work of COSRA. As recently as three weeks ago, financial regulators across the Caribbean met here in Trinidad and Tobago to identify the areas of priority for removal of impediments to

harmonisation. I am of the view that some formal steps should be taken to coordinate the efforts of these two bodies to ensure that we maximise the use of our limited resources.

Over the next two days we will deliberate on some of the very important issues that are occupying the minds of securities market regulators, both regionally and internationally. These include issues of corporate governance, clearance and settlements of securities, disclosure requirements and investor education initiatives. Trinidad and Tobago is very proud to have been chosen as the venue for this Annual Meeting and we thank the Executive of (COSRA) for the confidence bestowed on us. The meeting will also give us the opportunity to forge new relationships and strengthen existing ties with our regional counterparts. As your planned programme of activities indicates, there will also be opportunities for social inter-action. Although the foreign delegates would have missed our world famous carnival it is my hope that the arranged programme will provide you with a glimpse of what you missed thereby ensuring that you will be present to observe the festivities in 2003.

So let me again welcome you to Trinidad and Tobago on behalf of my fellow Commissioners and express the hope that your stay will be rewarding, enjoyable and memorable.

A fond Welcome to all.

