

**Senator the Honourable Conrad Enill,
Minister in the Ministry of Finance
Opening address at the
Conference of Caribbean Securities Regulators
“Regulating Caribbean Securities Markets: Contemporary Issues and
Challenges”
21st October 2004
At the Hilton Trinidad and Conference Centre**

I am delighted to be able to welcome you to this meeting of Caribbean Securities Regulators and Market Actors to discuss matters related to the regulation of the Caribbean Securities markets. I congratulate the Trinidad and Tobago Securities and Exchange Commission for hosting this timely conference entitled “Regulating Caribbean Securities Markets: Contemporary Issues and Challenges.”

The regulatory challenges arising from your markets have been reflected in both the topics and the quality of presenters at this programme. These issues that have been identified including Conglomerate Business Activity, Cross Listing of Security Issues and Regulation of Collective Investment Schemes, I believe are appropriate, given the current state of development of the securities market in our neighbouring Caribbean territories, as well as in our own Trinidad and Tobago.

Ladies and Gentlemen, within recent times there has been significant activity in the securities market in Trinidad and Tobago. By way of illustration, the data from the Trinidad and Tobago Stock Exchange shows that for the fiscal years ended 2001, 2002 and 2003 total market capitalisation grew by 8%, 51% and 41% respectively.

Even more significantly, Collective Investment Schemes and Credit Derivatives are becoming more prevalent on the financial landscape of Trinidad and Tobago. The growth in funds under the management of Collective Investment Schemes was \$3.2 billion in 1997 and at the end of 2003 was over \$20 billion. The number of funds registered has also increased from three (3) in 1997 to over fifty (50) funds as at the end of 2003.

Ladies and Gentlemen, this activity witnessed in the Trinidad and Tobago securities markets is also reflected in Jamaica and Barbados which have substantial onshore sectors as well as the Cayman Islands, Bahamas and our Atlantic cousin Bermuda, all of which have predominately offshore sectors.

Over the period 2002 to 2003 the market capitalisation of the stock exchanges of Jamaica and Barbados increased by 75% and 36% respectively, which compares favourably, some, may conclude, with the 26% growth rate of the London Stock Exchange and the 18% growth rate of the New York Stock Exchange.

In addition to the favourable performance of our Caribbean securities markets there have been a number of positive developments in the trade and regulatory institutions of the markets. Central depositories have been established in Trinidad and Tobago, the Eastern Caribbean, Jamaica and Barbados. These developments and enhancements in the trading structures have been accompanied by a number of changes in the regulatory regimes of the securities markets in the Caribbean, including the establishment of securities regulatory agencies and the strengthening of legislation that governs market behaviour.

Trinidad and Tobago has also been involved in activities designed to enhance its regulatory regimes. A comprehensive review of our Securities Industry Act 1995 was conducted, and a Prospectus By-law and a Collective Investment Scheme By-law developed. Additionally, we have produced the trading rules of the Trinidad and Tobago Stock Exchange which are being reviewed with a view to facilitating automated trading on the stock exchange.

Ladies and Gentlemen, this conference is occurring at a most appropriate time in the economic history of the Caribbean due to the formation of the regional Caribbean Single Market and Economy (CSME) and the hemispheric Free Trade Area of the Americas. These initiatives will change the dynamics of competition and our response will have to be urgent and deliberate. Regional Co-operation and support will be a key ingredient in our success. Today's seminar will undoubtedly go a long way in starting the dialogue which I am sure will provide us with some solutions and prospects for prosperity.

As you dialogue, you should be aware that in the White Paper on the Reform of Financial System of Trinidad and Tobago, this sub-sector has been identified and a timetable developed for the implementation of specific modernization activities. Included in this agenda are issues of :

- Review and Upgrade of the Securities Industries Act;
- Modernization of the Regulatory and Supervisory Framework;
- Stengthening of the Securities Exchange Commission;
- Improvement of the standards for good Corporate Governance;
- Development of the Micro-structure of Market for Government Bonds;
- Development of Institutional Relationships among Market Actors; and
- Enhancement of Investor Education Programmes, among others.

Ladies and Gentlemen, I am therefore in no doubt that your deliberations over the next few days will contribute significantly to the development of our own capital market and by extension, the regional sector. **On behalf of the Government of the Republic of Trinidad and Tobago I now declare this, the first regional conference of Caribbean Securities Regulators formally open.**