

Trinidad and Tobago Securities and Exchange Commission (TT-SEC)
Meeting of Caribbean Group of Securities Regulators (CGSR)
“Beyond the Crisis: Regional Initiatives in Regulatory Reform”
Thursday 22nd October, 2009
Hyatt Regency Hotel, Port of Spain, Trinidad

Opening Address

Mr. Francis Lewis, Chairman Pro Tem, TT-SEC

SALUTATIONS

On behalf of the Trinidad and Tobago Securities and Exchange Commission, it gives me great pleasure to welcome the delegates to the 6th Annual Meeting of Caribbean Securities Regulators.

I also wish to warmly welcome our regional and international counterparts, guests and colleagues who have joined us here this morning at the start of this meeting.

To all who have traveled to be with us - a hearty welcome to Trinidad and Tobago.

It is good to see familiar faces and new friends.

A bit of history - Some of our specially invited stakeholders may not be aware that this gathering has its genesis in an idea that was born in Trinidad seven years ago. At that time, in February 2002, the Trinidad and Tobago Securities and Exchange Commission hosted a Conference of the Council of Securities Regulators of the Americas (COSRA). It was at that Conference, regulators from Trinidad, Jamaica, Barbados, Bahamas, and the Eastern Caribbean decided to organize an Association of Caribbean Securities Regulators.

Until that time, our Region’s securities regulators only met at COSRA Meetings or at the annual conference of IOSCO – the International Organization of Securities Commissions. As small emerging economies our concerns and challenges are often unique. As useful as these regional and international conferences are, our voices could not be heard.

I would like to pause here to acknowledge the foresight of such stalwarts as our own Osborne Nurse, Mr. Hillary Deveaux of the Bahamas, Ms Virginia Mapp of Barbados (who unfortunately is ill and unable to attend this meeting) among others. *“If we see farther, it is because we stand on the shoulders of giants.”*

This association now known as the Caribbean Group of Securities Regulators, or CGSR, was developed to provide securities regulators in the Region with opportunities to discuss critical issues facing our securities and financial markets. The inaugural CGSR meeting was hosted by Trinidad and Tobago in October 2004, some 2 ½ years after the idea.

The groups invited to participate included not only securities regulators, but also banking regulators, our stock exchanges and market participants, as well as other members of the public. Our effectiveness as regulators can only be enhanced by open discussions with our market participants and other stakeholders - because the guardianship and oversight of our financial markets is a public trust and a collective responsibility

Securities and finance professionals in general, and regulators in particular, do not have a reputation for speaking plainly. We have developed a language all our own. We are not often renowned as communicators, speaking as we do in a peculiar way that is unintelligible to most people. As one person remarked – they use English words, but don't speak English.

So in framing the discussions to follow, let us start with a fundamental question; Do securities markets matter? Is what we, as regulators, do important? If so why?

To answer these questions, let me use the local Trinidad & Tobago securities market as an example and put it into perspective with our local economy. Trinidad and Tobago has an emerging, developing securities market. It is currently one larger market of its type in the

Caribbean Community. This market's scope and size are surprisingly large in relation to the underlying national economy.

As at mid-year 2009, the aggregate holdings of securities – equities and shares, government and corporate debt issues, mutual funds and simple derivatives – in other words the securities market we regulate - was valued at about TT\$207 billion. That is the equivalent of over 120% of GDP; or 4 times the 2009-2010 National Budget; or more than 3 times all bank deposits. I am sure that other regulators in this room can provide their own statistics in this regard.

For us, these simple numbers communicate the enormous potential of the securities market to impact the economic growth and development of Trinidad and Tobago. They imply, for example, that if this country were able to consistently grow its market, even at a relatively modest 5% per year, it could generate upwards of \$10 billion annually for growth and economy development of the country. Conversely, they also imply a source of potential vulnerability, both for the economy and for those who invest in the many varied types of securities.

Internationally, we see that securities markets matter. The proper functioning of securities markets positively impact investors of all sorts – from individuals, to pensioners and pension plans, insurance providers, banks and companies. The entire world has felt the effects of the financial crisis which began from as far back as 2007. Regionally our investors are concerned and our markets are impacted negatively from the fallout of this crisis. The Caribbean Group of Securities Regulators has therefore sought to bring to the discussion table several perspectives both regional and international from among the presenters invited to speak on our theme of “*Beyond the Crisis: Regional Initiatives in Regulatory Reform*”.

As with the practice started years ago, the Day One of the CGSR Conferences is open. And, the topics presented and discussed are of public interest

Day two of the meeting which will be held tomorrow is reserved to allow CGSR members the opportunity to reflect and deliberate on the discussions from today's session and develop a plan of action for the year ahead.

Ladies and gentlemen your viewpoint is important to us and we look forward to your eager participation and discussion today.

Once again I welcome you all and....

Thank you