

Trinidad and Tobago Securities and Exchange Commission

***Opening remarks at 8th Annual CGSR meeting and
International Conference***

October 24-27th, 2011



**Address by the Chairman- Ms. Deborah Thomas-Felix
Hyatt Trinidad Regency, Port-of-Spain**

ADDRESS

Salutations:

- **President of the Republic of Trinidad and Tobago His Excellency, Professor George Maxwell Richards**
- **The Honourable Winston Dookeran, Acting Prime Minister of the Republic of Trinidad and Tobago and Minister of Finance,**
- **The Honourable Chief Justice Mr. Justice Ivor Archie**
- **The Honourable Winston Peters, Minister of Arts and Multiculturalism**
- **Her Excellency Beatrice Welters, Ambassador of the United States of America**
- **Ethiopsis Tafara of the United States Securities and Exchange Commission**
- **Members of the Caribbean Group of Securities Regulators (CGSR)**
- **Members of the Offshore Group of Collective investment Schemes Supervisors (OGCISS)**
- **Representatives of other securities regulatory bodies both local and regional**
- **Members of the Board and staff of the Trinidad and Tobago Securities and Exchange Commission**
- **Other specially invited guests**
- **Distinguished ladies and gentlemen**
- **Members of the media**

Good Morning and Welcome,

This is indeed the age of globalization and this is also a time of financial turbulence. It is very clear that globally, markets are, inextricably linked and interconnected and therefore we all are affected by any adverse occurrences within the market. The recent global financial crisis which has been described as one of the worst financial crises in the past century stands as testament to this. This crisis was triggered by excessive leverage and a liquidity shortfall in the United States banking system and has resulted in the collapse of several large international financial institutions, the bailout of banks, and downturns in stock markets across the globe.

Most of the world's financial markets have been exposed to the ravages of the crisis and, whilst some economies are slowly beginning to recover, several are still reeling from the effects of the crisis today.

In fact, many argue that the crisis has not ended and we are still in crisis mode. Indeed, a series of aftershocks continue to shake the global financial system and there is a growing fear that despite the fiscal and monetary efforts which have been launched globally, the current volatility of stock markets and commodity markets in the US and Europe may lead to a double-dip recession. Prior to the crisis, many advocated the need for little or no regulation.

Since the crisis however, it is very evident that we need to improve the effectiveness of our global regulatory regime. One step we can take on the road to recovery is to ensure careful oversight of complex financial products. Such oversight is essential for rebuilding investor confidence and to improve the monitoring of systemic risks.

It is imperative therefore as developing countries and emerging economies that we improve our monitoring and enforcement capacity and increase our focus on Investor Education and Cross Border cooperation.

As a region we should pay close regard and be prepared to address the significant challenges posed by the increasing developments and changes in technology, particularly developments in the area of electronic commerce. Our resources as regulators are limited and we definitely require increased human and financial capital within our institutions in this regard. More and more it is becoming imperative that we assess the impact of technology on market integrity and efficiency as well as changes in market structure.

We should also seek to ensure that suitable mechanisms are in place to mitigate any related risks to market integrity and efficiency, including any risks to price formation or to the resiliency and stability of markets.

As regulators we may want to consider new methodologies and mechanisms for risk identification, risk evaluation and risk management as we regulate this globalised market.

Globalization brings with it the increased interdependence of regulators. Now more than ever there is a need for cooperation among regulators at the national level and across regional and international borders. This collaboration would facilitate the continuous exchange of information, the assessments of products and strengthen our commitment to a common approach towards regulation.

As a region we need to rely on one another and continue to establish strong links and the capacity to give effect to those links. We have developed such links through the Caribbean Group of Securities regulators (CGSR) and the Offshore Group of Collective Investment Schemes Supervisors (OGCISS) and I know that we are committed to the strengthening of these linkages. As a group, CGSR has worked assiduously to develop a Common Takeover Code for Mergers and Acquisitions in addition to Choice of Law Rules.

The final documents were reviewed in Barbados this year and we hope that they will be adopted by Governments across the region as we strive to deepen our cross border relationships through the establishment of common rules and shared regulatory objectives.

The Trinidad and Tobago Securities and Exchange Commission shares strong links with the USSEC and our sister regulators in the region; we are committed to the continued development of collaboration with fellow regulators, within the country, regionally and internationally. It is to this end that the republic of Trinidad and Tobago, like many other regional States, is in the process of upgrading its Securities legislation which would allow us to become signatories to the IOSCO MMOU well before the January 1st 2013 deadline.

I wish to thank the Honourable Winston Dookeran, Acting Prime Minister of the Republic of Trinidad and Tobago and Minister of Finance for his commitment and assistance in meeting this goal.

Another factor to consider in the current global environment is investor confidence. It is very important to build investor confidence in these turbulent times where globally there are many occurrences of fraud, Ponzi schemes and misuse of investors' funds. In the Caribbean we are still dealing with the aftershock of the CL Financial crisis, Stanford debacle and diverse Ponzi Schemes in several countries. Investor confidence is at an all time low regionally and globally.

To this end the Trinidad and Tobago Securities and Exchange Commission has been actively engaged in monitoring, investigating and addressing several suspicious activities in the market in our efforts to maintain its transparency and integrity.

The complexity of modern financial products coupled with the lessons learnt from the financial crisis makes investor education a useful tool for regulators and financial literacy an important life skill.

I am of the firm view that well informed investors make wise investment choices and that low levels of financial literacy can result in costs for the financial markets and to the real economy.

As we deliberate this week on issues such as corporate governance, and New Policy Challenges, we have a role to play as regulators, investors and market participants to assist in restoring the robustness of the capital market by ensuring its fairness, efficiency and transparency.

I wish to reaffirm the Commission's commitment to effective regulation where the principles of fairness and transparency remain the bulwark for all investors.

Thank you .