



Securities (General) By-Laws, 2015

LAUNCH OF THE SECURITIES (GENERAL) BY-LAWS 2015

WEDNESDAY 10TH JUNE 2015

HYATT REGENCY TRINIDAD, POS.

Outline

- Registration Requirements
 - Basics
 - Intermediaries
 - Issuers and Distributions
- Reporting Requirements
- Operational Requirements
- Auditor Requirements

Registration Requirements Basics

Description of Provision	By-law References Number
Forms	5
Filing of documents with the Commission	14
Fit and proper	6 & Schedule 2

Registration Requirements Basics - Addressing Fit & Proper obligations



Schedule 2 outlines criteria for assessing whether a person is “fit & proper” to engage in securities business:-

- I. Financial status or solvency
- II. Educational, or other qualifications or experience
- III. Ability of a person to carry out the regulated activity or execute its fiduciary duty, competently and fairly
- IV. The reputation, character, reliability and financial integrity of the person



*Registration of Intermediaries –
Broker-Dealers, Investment Advisors,
Underwriters*

Registration of Intermediaries - Transitional Provisions (End on 29th June, 2015)

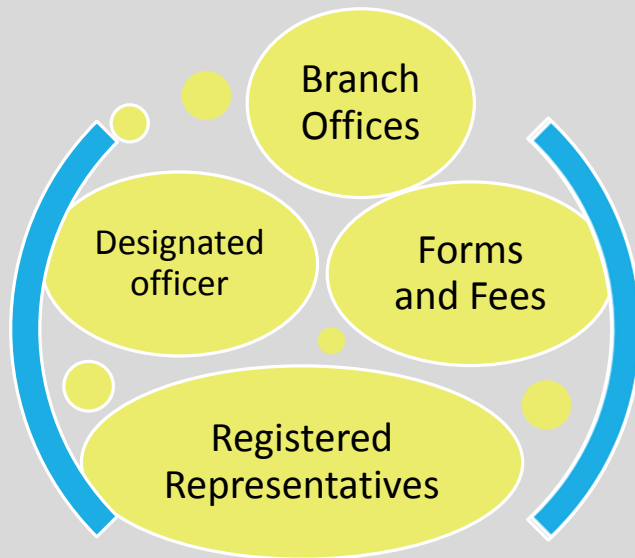
SIA 1995
Brokers and Traders
Investment Advisers
Securities
Companies
Underwriters



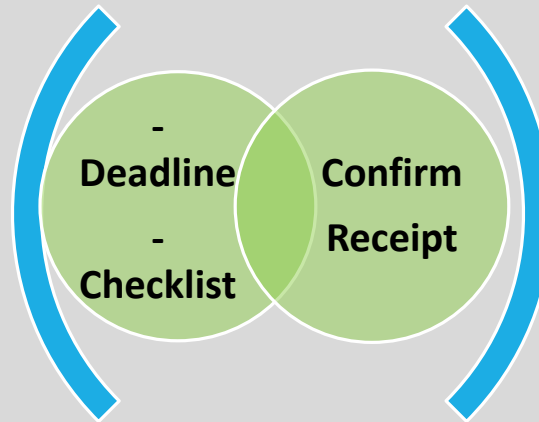
SA 2012
Registered
Representatives
Investment Advisers
Broker-Dealers
Underwriters

*Other persons who were registered under the SA 2012 have until **28th April 2016** to regularize their status with the Commission*

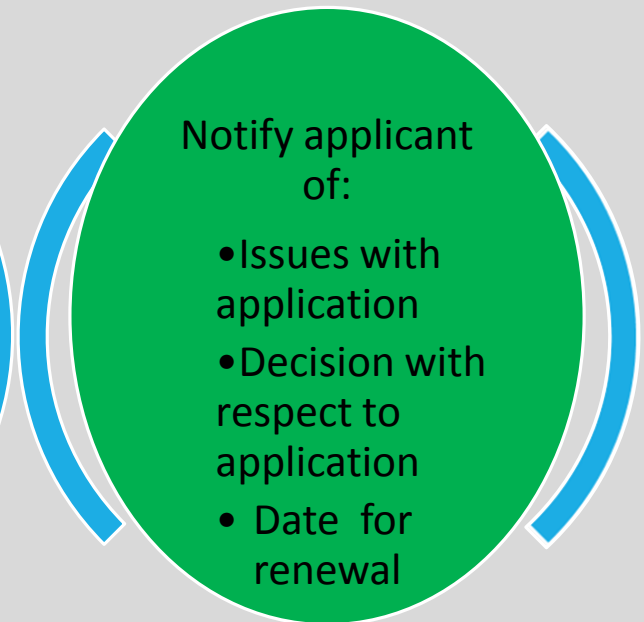
Registration Requirements: Regularization/Registration of Intermediaries



Prepare Application

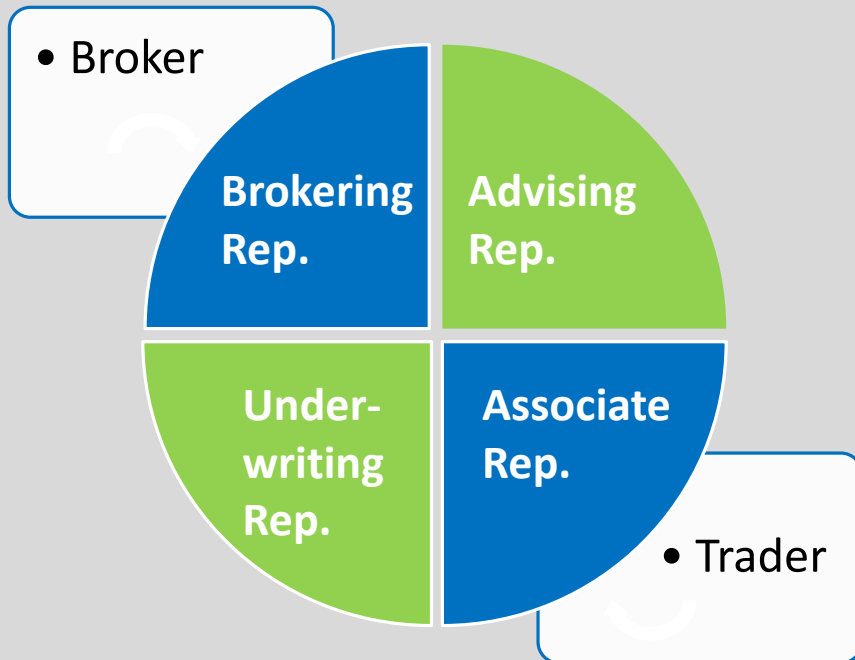


Submit Application



Feedback

Registration of Intermediaries - Registered Representatives of Corporate Form Intermediaries



Broader scope

Fundamental change - Companies:

- are required to verify and keep records
- must notify Commission of identities of registered representatives (Form 3A)
- pay fees for each representative

Registration as Representative valid for **two** years

Companies must have at least **two** Registered Representatives

Registration of Intermediaries – Approval of Substantial Shareholders

New provision – >10% shareholding

Applicable to Broker-Dealers, Investment Advisers (Companies only)
and Underwriters

Deemed approvals:

- Financial Institutions;
- Section 51(1) registrants;
- Pre-existing persons

Other persons need to apply for approval



Registration Requirements - Distributions -

Registration Requirements – Distribution of Securities

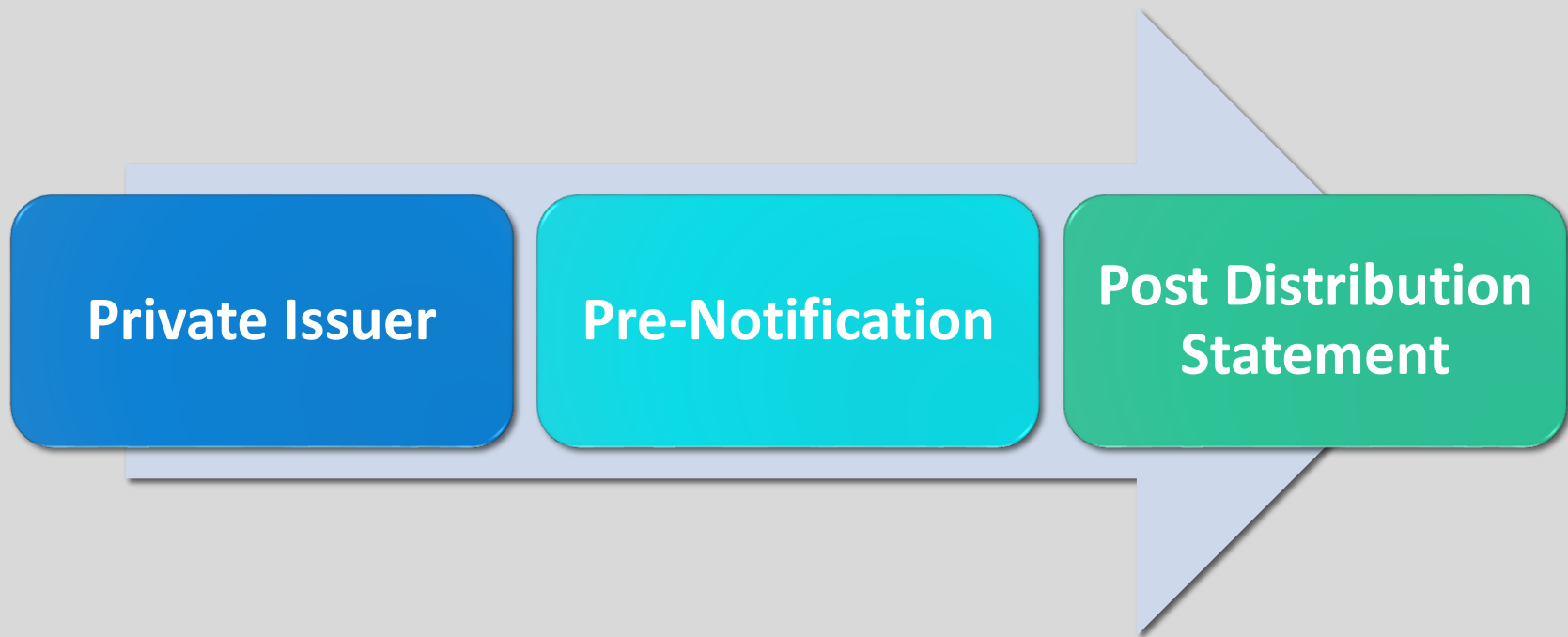
Reporting
Issuer

- Issuer must be a reporting issuer or exempt from registration

Registration
of Securities

- Distribution Statement
- Fees
- Prospectus (unless exempt)
- Post Distribution Statement

Distribution of Securities – Limited Offerings



CHECKLIST FOR REGISTRATION OF A REPORTING ISSUER

Name of Applicant: _____

	Documents	Submitted	Comments
1.	Registration Fees – TT\$8,000	<input type="checkbox"/>	
2.	Form 8 – Registration Statement	<input type="checkbox"/>	
3.	Form 8 – Appendix I for each Director	<input type="checkbox"/>	
4.	Certified copy of incorporation documents. Where incorporated abroad, you are also required to submit proof of registration as an external company.	<input type="checkbox"/>	
5.	Certified copy of most recent Annual Return that was filed with the Companies Registrar.	<input type="checkbox"/>	
6.	Latest Audited Financial Statements	<input type="checkbox"/>	
7.	If seeking Approved Foreign Issuer designation: <ul style="list-style-type: none">• Form 16 – Certificate as an Approved Foreign Issuer• Form 17 – Submission to Jurisdiction and Appointment of Agent• Evidence of the Applicant's registration with any other regulatory authority	<input type="checkbox"/>	
8.	A list of the directorships held by current directors of the Applicant in other companies.	<input type="checkbox"/>	

Signature of Designated Person

Date

Please submit the completed checklist together with the application



Key Reporting Requirements

Reporting Requirements

Standards for Investment Allocation – **By Law 43**

- Registrants under Section 51(1) must develop written policies which speaks to the process for allocation of investment opportunities amongst its clients
- Must be provided to all clients at the start of their relationship

Management Discussion & Analysis Requirements – **By Law 50**

- Provides guidance on the information that must be included in Registrants and SRO's Annual Reports.

Reporting Requirements Cont'd...

Notification of Changes – **By Law 53 & Schedule 3**

- Schedule 3 prescribes events that warrant notification to the Commission
- Registrants under 51(1) - Notifications must be submitted to the Commission within **seven (7) days** from the date of the occurrence of the event
- Registrants under 61(1) – Notifications must be submitted to the Commission within **fourteen (14) days** from the date of the occurrence of the event



Key Operational Requirements

Key Operational Requirements – Capital Requirements

Type of Business	Minimum Capital	Regulatory Capital
Investment Adviser	TT\$50,000	TT\$50,000
Broker-Dealer – Agent Only	TT\$2 million	TT\$1 million
Broker-Dealer – Principal or Agent	TT\$5 million	TT\$2 million
Broker-Dealer and Underwriter	TT\$6 million	TT\$2 million
Underwriter	TT\$5 million	TT\$2 million

Key Operational Requirements – Internal Control

Supervision, Compliance and Risk Management Systems – **By Law 64** -

- ❑ Registrants are required to establish, maintain and apply a system of controls and supervision which would ensure compliance with the SA 2012, its related By-Laws and any other law dealing with AML/CFT.
- ❑ Systems of controls must be documented in the form of written policies and procedures and ensure that the management of its risks are in line with prudent business practices

Complaints Procedure – **By Law 65**



Auditor Requirements

Key Provisions – Auditor Requirements

Acceptable auditors (**By Law 91**)

A member of an auditor is determined not independent of a registrant or SRO where (By Law 93):

- the beneficial ownership or control (directly or indirectly) is five (5) percent or more of the shares or other securities of the registrant or SRO or any of its affiliates
- The indebtedness to the registrant or SRO or any of its affiliates other than by virtue of a fully collateralized loan

Key Provisions – Auditor Requirements

Time limit (By Law 94)- A member of an auditor shall not have primary responsibility for the audit of a registrant or SRO for more than 5 consecutive years.

Notifications (By Law 97)- Shall be given to the Commission by a registrant or SRO where it intends to terminate or replace an auditor before or at the expiration of its term, or where he ceases to be an auditor in a circumstance other than through termination or replacement.

CLOSING REMARKS

- ▶ FAQs have been posted on our website
- ▶ Queries and comments can be directed to: sa2012@ttsec.org.tt

Thank you for your attention!