

**Address by the Senator the Honourable Mariano Brown,**

**At the Annual General Meeting 2008**

**of the**

**Trinidad and Tobago Association of**

**Insurance and Financial Advisers**

**Friday April 11, 2008.**

Ms Raziah Ahmed – President of the Trinidad and Tobago Association of Insurance and Financial Advisors (TTAIFA)

Mr Henry Harper – General Manager, TTAIFA

Members of the TTAIFA

Distinguished Guests

Ladies and Gentlemen

Madam President and Members of the Trinidad and Tobago Association of Insurance and Financial Advisers (TTAIFA), I thank you for your kind invitation to share some thoughts on recent developments in the financial sector, and to offer some perspective on the future direction of this sector, in the context of Government's implementation of its Vision 2020 agenda.

Ladies and Gentlemen, in defining a vision for the future of Trinidad and Tobago and the development of both of the economy and the society we must build institutions and institutional capacity in the private and the public sector and in partnership. This task is not to be underestimated and to continue with this on this path of development we must always remember that as much as change is inevitable and that we must adapt or die, there is also need for constancy. I therefore wish that you have a very successful meeting this morning and keep your eyes on an ever changing landscape.

Our view of the future is predicated in part on the establishment of a vibrant, non energy sector that will represent a sustainable source of growth for this country.

We are determined to create viable alternatives to our non-renewable resources, which have long been the corner-stone of our economy.

The utilization of our oil and gas revenue to build a modern, viable and competitive financial sector represents an important public policy initiative.

In this regard, our central strategy is the establishment of the Trinidad and Tobago International Financial Centre (TTIFC).

We are fully confident that the TTIFC will position Trinidad and Tobago as a premier international financial market for trading and cross border assets.

Our strategic location creates a trading platform between North and South America, and is well positioned to bring the region's financial institutions into the mainstream of international finance.

We envisage that the Trinidad and Tobago International Financial Centre will be a designated hub that will provide a range of front office financial services, including, but not limited to banking, asset management, capital

markets activities, specialized insurance operations and future transactions on the international commodities markets.

It is a widely cited fact that the Trinidad and Tobago economy has been and continues to rank among the top global performers.

This is upheld by the macroeconomic fundamentals for 2007 which indicate that economic growth averaged 7 percent, well above the global average of 3 to 4 percent.

In addition, Official Reserves which in 2007, stood at US\$6.1 billion amounting to 10 months of import cover – is more than three times the international benchmark of 3 months fiscal balances.

Public sector debt which was 28.3 percent of G.D.P., in 2007 was also favourably comparable to the international standard of 50 percent.

Other notable achievements include the Heritage and Stabilization Fund which represents a significant investment in the future of our country and now stands at US\$1.766 billion of TT\$11.106 billion.

Ladies and Gentlemen, as the country continues to grow and develop at an unprecedented pace the Financial Sector is naturally assuming an increasingly important role and has in fact recorded higher growth rates than all the other non energy sectors.

But this growing dynamism must be honed and nurtured in the context of rigorous standards of integrity, transparency, efficiency, independence and responsiveness. Government's role in ensuring that these foundational elements are in place is critical in this regard and is at the motivating force behind the establishment of the TTIFC.

Notwithstanding economic fundamentals Ladies and Gentlemen, paramount to supporting the TTIFC is sound financial system infrastructure. Recent financial improvements in this regard, encompassed the application of modern technology including the establishment of a Real Time Gross Settlement System; a Government Securities and Settlement System; and, an upgrade of the Inter-Bank Payment System encompassing international best practices.

In addition, Electronic Trading of securities on the Trinidad and Tobago Stock Exchange was launched in 2005. A market-based Electronic Auction system has also been introduced to replace the underwriting system for the distribution of government securities in the primary market. The Auction System has contributed to increased competition and greater transparency with respect to the process of price determination in the government securities market.

Ladies and Gentlemen, the Ministry of Finance is pursuing a very aggressive legislative agenda for strengthening the regulatory framework for the Financial Sector. This is part of the Government's effort to ensure that appropriate legislation will be in place when the International Financial Centre begins operations.

The new Securities Act (SA) is now before the Legislative Review Committee, which means it is just one step away from being introduced to the Parliament.

The draft for the new Financial Institutions Act (FIA) has been completed and will soon be forwarded to the Legislative Review Committee.

New legislation regarding Pension Funds and Credit Unions is currently engaging the attention of the legal draftsmen.

The new Insurance Act is also currently being drafted and I am aware that the Central Bank of Trinidad and Tobago (CBTT) has held numerous consultations with stakeholders in preparation for the drafting of the new Insurance Act.

I trust that this organization would have availed itself of the opportunity to participate in these discussions.

This comprehensive upgrade of the body of financial legislations is supported by a strengthening of other related pieces of legislation with a view to ensuring that rigorous standards of integrity and transparency are upheld and maintained. In this regard, the following pieces of legislation are engaging the attention of the Government:-

- Proceeds of Crime Act;
- Electronic Transfer of Funds Crime Act; and
- Computer Misuse Act.

Ladies and Gentlemen, our systematic modulated approach to the establishment of the TTIFC is predicated on the engendering of total confidence in all stakeholders at all levels of the system.

In closing let me urge you to make your inputs whenever the opportunity arises and to partner with Government in honing the TTIFC model and ensuring our attainment of the Vision 2020 objective.

Ladies and Gentlemen.

I thank you.