

## **Howai: Securities Bill a major step forward**

The Securities (Amendment) Bill 2013 represents another step forward in modernising the local securities markets and protecting the interests of investors, Finance and the Economy Minister, Larry Howai said yesterday (Tuesday).

Minister Howai was at the time speaking in the Senate as he began debate on the Bill.

“The Securities (Amendment) Bill 2013 builds on the Securities Act 2012 (the Act) and provides sound and effective regulation to the securities market which is important for the integrity, growth and development of these markets and by extension the economic foundation of the country” the Minister stated.

Adding that the Bill also signals to global regulators that Trinidad & Tobago is actively pursuing transparency and modernisation of its regulatory system, the Minister said: “It confers a peace of mind and assurance to other Securities Commissions across the globe that Trinidad & Tobago is serious about retaining and growing its presence in this arena.”

“The securities market is a very dynamic, inventive and innovative place, likewise it requires a robust, well thought out, and frequent look at the legislation”.

The amendments will further clarify and streamline processes and procedures within the Securities Act 2012 (the Act), closing loopholes and making the legislation more user-friendly.

Minister Howai emphasized that the Act “deals with the creation of wealth; it is the glue that binds all the other pieces of legislation within the financial sector such as the Insurance Act, the Proceeds of Crime Act and the AML/CFT guidelines and the Financial Institutions Act.”

It was further noted that the Act allows for:

- Enhanced international regulatory cooperation, reputation and credibility;
- Enhancement of disclosure obligations;
- Strengthening of the regulatory framework;
- Greater emphasis to be placed on prosecuting market misconduct and manipulation; and
- The facilitation of an increase in the TTSEC’s enforcement powers.

In this context, the Minister noted that the recent First Citizens IPO and the purchase of shares by certain individuals are receiving the attention of the Securities and Exchange Commission as well as that of other market regulators but at this time his comments will have to be measured to avoid compromising the process.

Noting that the passage of the 2012 Act assisted the country’s application in becoming a full signatory to the International Organization of Securities Commission (IOSCO) Multilateral Memorandum of Understanding (MMoU) in June 2013, the Minister said: “Being a signatory to the IOSCO MMoU shows our commitment to the continuous review and strengthening of gaps, between technology and legislation, as they appear.”

The IOSCO MMoU enables signatories to access a “robust mechanism which allows for the sharing of essential investigative material such as beneficial ownership information as well as securities and derivatives transaction records.

“The Securities (Amendment) Bill 2013 will form part of a wide ranging and comprehensive framework of measures that the Government has taken to reform, upgrade and modernize the regulatory rules and practices of the ever-evolving securities industry and the entire financial sector, and the 2013 amendments will further enhance this framework.” Minister Howai stated.

He said Trinidad and Tobago is one of five countries within CARICOM with a developed stock market and publicly listed companies noting: “The T&T market has shown consistent growth over past two years compared to the Jamaican and Barbadian stock market which have declined.”

Emphasising that the Debt Securities market grew by 318 percent to TT\$15.6billion in 2013 Minister Howai also noted that the market capitalization of the Trinidad & Tobago Stock Exchange grew up from TT\$71.4 billion in 2009 to TT\$110.0 billion at September 2013.

“If we are to measure the growth from the baseline year of 1997, the size of the regulated capital market stood at TT\$23 billion or 65 percent of Gross Domestic Product (GDP) at that time. At July 2013, the value of the capital market was TT\$281billion or 169 percent of nominal GDP.”

He thanked market participants such as the Bankers Association of Trinidad & Tobago, the American Chamber and various listed companies for their collaborative efforts in bringing the amendments to completion.