



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

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IMMEDIATE RELEASE

MEDIA RELEASE

**GROSSLY UNINFORMED *BUSINESS EXPRESS* ARTICLE
ABOUT THE TAKEOVER BID BY NCBGH FOR GHL**

The Hon. Colm Imbert, Minister of Finance, has taken note of the disturbing pattern of uninformed, self-serving and misleading articles about the proposed acquisition by NCB Global Holdings Limited (NCBGHL) of a majority shareholding in Guardian Holdings Limited (GHL). The most recent being in yesterday's *Business Express* (February 20, 2019).

In the first instance, the author of the article, the Editor of the *Business Express*, Anthony Wilson, has incorrectly assumed that an application for something as important as a foreign investment license can be submitted to any person in the Ministry of Finance, no matter how junior the person is, and without any reference to the Minister of Finance or the Permanent Secretary, and such a misdirected application would somehow be transmitted to the Minister instantaneously. However, the guidelines on the Ministry's website are clear, i.e. that an application for a FIL should be submitted directly to the Permanent Secretary. The reason for this guideline is obvious, and these guidelines are designed to avoid delays and wastage of time.

However, that administrative error on the part of NCBGHL pales into insignificance when one considers the gross ignorance of the law and complete misunderstanding of the true facts displayed by the Editor of the *Business Express*, who has openly declared that he is a shareholder of GHL and therefore stands to benefit if NCBGH's bid to acquire the majority of GHL succeeds.

In his quest to support his belief that a license is not required for this takeover bid, Mr. Wilson has gone to great lengths to make a case that Mr. Lee Chin, who he says owns 62% of "NCB" is a citizen of Jamaica, a member state of CARICOM, and as such, he should be exempt from the requirement to obtain a license for this transaction. However, in making this case, and in personalising the issue, Mr. Wilson has completely ignored the fact that the applicant for the license is not Mr. Lee Chin, but NCBHL: a company.

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Further, NCBGHL is in turn owned by the NCB Financial Group Limited (NCBFGL), which in turn is owned by AIC (Barbados) Limited (AICBL), and several other companies, some or all of whose ownership may well reside outside of CARICOM.

It would have made better and more informed reading, and good investigative journalism, if Mr. Wilson had bothered to find out who the applicant for the shares in GHL really is and who owns NCBGHL, NCBFGL, AICBL etc., and where the ownership of these various companies actually resides.

However, this fact also becomes secondary when one considers the fact that Section 74 of the Financial Institutions Act, Chap. 79:09 states that a significant or controlling shareholder of a financial entity “*shall not become an acquirer of a licensee or of the financial holding company of a licensee without obtaining a permit issued by the Minister of Finance*”, among other things.

The *Business Express*, *Daily Express* and *Sunday Express* and their business writers and editors seem to be blissfully unaware of this fact. If they were, they would not have made such uninformed and misleading pronouncements about this transaction. It is manifestly evident that the newspaper has no understanding of the requirements of the Financial Institutions Act with respect to the acquisition and control of insurance companies. What is important in this transaction is the requirement for a **controller permit** from the Minister of Finance, and not so much a foreign investment license.

Accordingly, rather than carrying the public on a completely unnecessary wild goose chase about the requirement for a foreign investment license for the takeover of GHL, and thus propagating more fake news, it would have been far better and in the public's interest if the newspaper and its editors had simply acquainted themselves with the provisions of applicable laws. There are good reasons for these laws, quite properly spelt out in the Financial Institutions Act itself. In particular, the Act states, that in granting a controller permit, the Minister of Finance must give consideration, among other things, to whether “*the size of, and concentration of economic power in, the combination of the proposed acquirer and the licensee will prevent or lessen substantially, or is likely to prevent or lessen substantially, competition in the financial services industry in Trinidad and Tobago*”, something which the Express has completely missed.

In conclusion, the financial services sector is no place for self-serving or amateur commentary. It is serious business and requires sound, careful and informed research and proper in-depth analysis, so that the public can be properly informed about important transactions that can and do have a profound effect on the economy, the general public and the financial stability of Trinidad and Tobago.

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The Hon. Colm Imbert
Minister of Finance