

## **SME MENTORSHIP LAUNCH**

**25<sup>TH</sup> OCTOBER 2022**

**TTSE – CEO, EVA MITCHELL**

**TIME:7 MINUTES**

**Good morning Honourable Colm Imbert, The Minister of Finance, Dr. Dorian Noel, Deputy Governor, Central Bank of Trinidad and Tobago, all distinguished guests, ladies and gentlemen.**

The Trinidad and Tobago Stock Exchange (TTSE) is delighted to be here today, to be part of this SME Mentorship Programme Launch and to have partnered with the Ministry of Finance and the Central Bank of Trinidad and Tobago (CBTT) on this initiative.

As we continue to celebrate a major milestone of 40 years, the TTSE recognizes that regionally and internationally there is need for growth and development in our region through our capital markets. A stock market is instrumental and integral to economic development and financial growth.

In Trinidad and Tobago, the population is getting older. Indeed, much of the Caribbean is in the same boat. The issue of persons getting invested in order to save for their retirement or to have funds available to them tomorrow is critical to everyone at a personal level.

The opportunity and ultimately the next step for our capital market is to move from providing the platforms to developing market activity on the platforms. This requires us to engage more with stakeholders both existing stakeholders and potential stakeholders.

In the 2011-2012 National Budget, the Minister of Finance announced plans by the Government to provide small and medium enterprises with an avenue for raising capital on the local capital market in order to reduce their reliance on bank financing and provide them with an alternative source of capital to expand their business. This initiative is also intended to further develop the local capital market, which is important in the thrust towards economic diversification.

It's no secret that a lot of these small businesses have a real challenge, in terms of accessing capital, for a number of reasons. There is a lack of collateral, there is a lack of knowledge and know how, in terms of producing a proper strategic plan and cash flow projections. In response to this initiative, the TTSE established a market for SMEs in 2012 with the specific objective of providing a successful avenue for small and medium sized companies to raise capital and to fulfill the considerable potential that so many of our companies have.

Through listing on our SME Market, companies can reap the benefits of:

- Raising equity financing or patient capital via a public offering
- Tax Incentives, with zero percent tax for the first five (5) years from listing on the TTSE and a fifty percent reduction on tax for the next five (5) years.

- Increased brand visibility and transparency of the business
- Attracting broader investor base
- Allowing employees to benefit of shares in their company
- Allowing shareholders a viable exit option and opportunity to use shares as collateral against debt

As part of our SME Market development, the SME Mentorship Programme was designed to match the companies with a suitable mentor who can comfortably cover the key governance themes necessary to position a company to list on the TTSE. This is not us reinventing the wheel, such structures exist regionally and internationally. The main goal of the programme is to strengthen those companies within the sector to have more transparent operations as a publicly traded company.

Geared to improve investor confidence in the listed companies, the SME Mentorship Programme demonstrates the willingness of the TTSE to invest the time and resources necessary to assist companies to operate in an efficient manner on the stock market.

Once an SME is considered to be eligible to list on the SME Market, the company is required to have an independent Mentor, up to five (5) years subsequent to listing. After this stage, the SME company has the option of appointing a Director or Senior Officer of the company to perform the functions and responsibilities of a Mentor. The SME company is expected to commit time and resources to work with the Mentor, who would be providing guidance to the company.

All Mentors must be approved by the TTSE Board before their appointment can become effective with an SME company. The requirement for the TTSE's approval is to evaluate the Mentor's ability and capacity to guide the company in relation to compliance matters where the Exchange has oversight. The SME company can propose a Mentor or may select from a list of pre-approved Mentor issued by the TTSE.

Persons or entities wishing to become a mentor, or select a mentor, can visit the Ministry's SME Portal for further details and information on the SME Market and Mentorship Programme as well as the TTSE website.

I wish to acknowledge the collaboration of The Ministry of Finance, The CBTT and the TTSE; and I am delighted that we are all here today to launch this initiative. My hope is that it is the beginning of much more and much greater collaborative efforts.

There is no more fitting context in which to continue our celebrations of our 40th anniversary than the one we have today, one of many to come, characterized by optimism for our prospects, a commitment to integrity, and the drive to move our local economy forward. Thank you.