

LAWS OF TRINIDAD AND TOBAGO

SECURITIES INDUSTRY ACT

CHAPTER 83:02

Act
37 of 1981

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Note
on
Subsidiary Legislation

This Chapter contains no subsidiary legislation.

SECURITIES INDUSTRY ACT

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CHAPTER 83:02

SECURITIES INDUSTRY ACT

An Act to provide for the establishment of a Stock Exchange of Trinidad and Tobago and the regulation thereof, and to consolidate the law with respect to the securities industry and for matters in connection therewith.

(22ND OCTOBER 1981)

Commence-
ment.
142/1981.

PRELIMINARY

1. This Act may be cited as the Securities Industry Act. Short title.

2. In this Act—

Interpre-
tation.

“approved financial institution” means any trust company, investment bank or merchant bank, or investment management company approved by the Board for purposes of sections 41 and 59;

“the Board” means the Board of Directors of the Stock Exchange named in accordance with this Act;

“contract note” means the instrument required to be made and issued under section 57;

“dealer” means an individual employed by a member company of the Stock Exchange for the purpose of trading on the Stock Exchange on behalf of such member company and approved by the Board for that purpose under Rules made under this Act;

“Inspector of Banks” means the Inspector of Banks appointed under the Banking Act, and includes any person appointed to act temporarily in his place; Ch. 79:01.

“limited corporate member” or “member company” or “member” means a company duly registered as a member of the Stock Exchange under this Act;

“listed company” means a company whose securities have been admitted for quotation on the Stock Exchange under this Act;

“listed securities” means securities admitted under section 38 for quotation on the Stock Exchange;

“Minister” means the Minister charged with the responsibility for Finance;

“Rules of Court” means the Rules of the Supreme Court, 1975 and any amendments thereto;

“secretary” means the secretary to the Board;

“security” includes any document constituting evidence of title to or interest in any bond, debenture, share, stock, or note;

“stockbroker” or “broker” means a person registered as a stockbroker in accordance with this Act;

“Stock Exchange” means the Stock Exchange established under this Act;

“stock exchange transaction” means a sale and purchase of securities in which each of the parties is a member company or a stockbroker acting in the ordinary course of business as such, or is acting through the agency of such a member company or stockbroker;

“stock market” means a market, exchange or other place at which securities are regularly offered for sale, purchase or exchange in accordance with this Act;

“substantial shareholding” means one-twentieth or more of the issued share capital of any institution or company;

“trade” or “trading” includes:

- (a) any sale or disposition of or other dealing or any solicitation in respect of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, or any attempt to do any of the foregoing;
- (b) any participation as a floor trader in any transaction in a security upon the floor of the Stock Exchange;
- (c) any receipt by a limited corporate member of an order to buy or sell a security;
- (d) any act, advertisement, conduct or negotiation directly or indirectly in furtherance of any of the foregoing.

PART I

ESTABLISHMENT, CONSTITUTION AND MANAGEMENT OF STOCK EXCHANGE

3. (1) There is hereby established a Stock Exchange to be known as the Trinidad and Tobago Stock Exchange. Establishment
of Stock
Exchange.

(2) The Stock Exchange hereby established shall be a body corporate limited by guarantee and shall have a common seal.

(3) Subject to the provisions of this Act, the Memorandum and Articles of Association contained in the First Schedule shall be the Memorandum and Articles of Association of the Stock Exchange. First
Schedule.

4. (1) Subject to subsection (2) the affairs of the Stock Exchange shall be managed by a Board of Directors comprised as follows: Board of
Directors.

- (a) two members, to be appointed by the Minister;

- (b) five members who are stockbrokers, to be elected by member companies; not more than two such members being elected from any one member company.
- (c) two members to be elected by the listed companies such members to be financial directors of listed companies.

(2) Upon the commencement of this Act, (that is to say 22nd October, 1981) the Minister shall appoint all the first directors of the Board, including those provided for in paragraphs (b) and (c) of subsection (1) and the directors appointed under this section shall hold office subject to the provisions of subsection (4).

(3) The Minister may appoint any person as an alternate director to any of the directors mentioned in subsection (1)(a) in the event that any such director is unable to perform his functions because of illness or for any other reason.

(4) At the first annual general meeting of the Stock Exchange all the directors appointed under subsection (2) shall retire from office, and at the annual general meeting of every subsequent year one-third of the directors for the time being, shall retire from office.

(5) The directors to retire in every year shall be those who have been longest in office since their last appointment or election, but as between persons who became directors on the same day those to retire shall be determined by lot.

(6) A retiring director shall be eligible for reappointment or re-election as the case may be.

(7) Subject to subsection (2) the method of election of directors of the Board as well as the conduct of the business of the Board shall be in accordance with the Articles of Association as contained in the First Schedule.

First
Schedule.

Place of
business.

5. The Stock Exchange shall have its head office situate in the City of Port-of-Spain, and may establish branches and agencies elsewhere in Trinidad and Tobago.

6. (1) No person shall establish or maintain or assist in establishing or maintaining a stock market, or trade on the stock market other than in accordance with this Act.

Prohibition against establishing and trading on stock market.

(2) Any person who contravenes subsection (1) is liable upon summary conviction to a fine not exceeding fifty thousand dollars.

(3) No company shall be permitted to trade on the Stock Exchange, or act in connection with any such trading on behalf of a person or other company unless registered as a member.

7. (1) Notwithstanding anything contained in any other law, no trading in securities issued by a public company incorporated in accordance with the laws of Trinidad and Tobago shall be done in Trinidad and Tobago except on the Stock Exchange in accordance with this Act and Rules made thereunder.

Trading in securities restricted to Stock Exchange.

(2) Subject to subsection (3) trading in securities other than in listed securities is prohibited.

(3) Subsection (2) does not apply to a bona fide sale or disposition of securities of a private company incorporated in Trinidad and Tobago effected in accordance with the Memorandum and Articles of Association of that company.

8. (1) Notwithstanding the provisions of section 10, and subject to subsection (2) of this section, upon the commencement of this Part, those members of the Call Exchange of Trinidad and Tobago whose names are listed in the Second Schedule shall be deemed to be registered as members of the Stock Exchange.

Initial members of Stock exchange.

Second Schedule.

(2) The members listed in the Second Schedule shall within six months after the commencement of this Act and subject to section 28 comply with the provisions of this Act and upon the failure to do so shall cease to be members of the Stock Exchange without prejudice, however, to the right to apply for membership under this Act.

Prohibition
as to
membership
of Stock
Exchange.

9. No person other than a company incorporated in Trinidad and Tobago and in which nationals of Trinidad and Tobago hold at least fifty-one per cent of the shares shall be registered as a limited corporate member under this Act.

Application for
membership
by company.

10. (1) Subject to the provisions of this Act every application for registration as a member of the Stock Exchange shall be in the prescribed form, shall be proposed and seconded by two directors of the Stock Exchange and shall be accompanied by:

- (a) a statement which shall contain the name and description of the applicant, the address of its registered office in Trinidad and Tobago, and the name and address and nationality of each of its directors one of whom shall be a stockbroker;
- (b) a certified copy of its Memorandum and Articles of Association together with a certified copy of its certificate of incorporation;
- (c) proof that the company has a minimum paid up share capital of four hundred thousand dollars.

(2) Before registering the applicant as a member of the Stock Exchange the Board must approve of the Memorandum and Articles of Association referred to in subsection (1)(b), and must be satisfied that the applicant's principal business is stockbroking and dealing in securities and is active in such business.

Registration
as limited
corporate
member.

11. (1) Upon being satisfied that the provisions of this Act have been complied with, the Board shall register the applicant as a limited corporate member, and shall upon the payment of the prescribed fee by the applicant issue a licence to trade in the prescribed form.

(2) Where the Board refuses an application for registration, the applicant may within fourteen days of the refusal apply in writing to the Minister for a review, and if upon review the Minister is of the opinion that the applicant should be registered he shall so inform the Board.

(3) Upon being informed by the Minister in accordance with subsection (2), the Board shall proceed to register the applicant, and to issue a licence in accordance with subsection (1).

(4) Where the Minister upon review refuses to approve of the application, he shall so inform the Board and the applicant within fourteen days of his decision.

12. One or more directors of a member company shall be a stockbroker or stockbrokers holding in the aggregate not less than thirty-five per cent of the issued equity capital of the member company.

Director to be stockbroker.

13. (1) No member company shall alter its Memorandum and Articles of Association without the consent of the Board in writing.

Alteration of Memorandum and Articles of Association of member.

(2) Notwithstanding the provisions of the Memorandum and Articles of Association of a member company and of the Companies Ordinance, notice in writing shall be given to the Board of any meeting at which it is proposed to effect any alteration of its Memorandum and Articles of Association.

Ch. 31, No. 1. (1950 Ed.).

14. A member shall give immediate notice in writing to the Board of the death, retirement, bankruptcy or resignation of any of its directors and shall not go into voluntary liquidation without the prior approval of the Board.

Notice to Board.

15. (1) Notwithstanding the provisions of section 16, and subject to the provisions of subsection (2) of this section, upon the commencement of this Part, the persons whose names appear in the Third Schedule shall be deemed to be registered as stockbrokers under this Act.

Initial registered stockbrokers.

Third Schedule.

(2) The stockbrokers whose names are listed in the Third Schedule shall within six months of the commencement of this Part comply with the provisions of section 16, and upon failure to do so shall cease to be stockbrokers for purposes of this Act, without prejudice however, to their right to apply to be registered as stockbrokers.

Application
to be regis-
tered as a
stockbroker.

16. (1) Subject to the provisions of this Act all applications for registration as a stockbroker shall be made in writing in the prescribed form and addressed to the secretary.

(2) Every application shall be proposed and seconded by two members of the Board, and shall be accompanied by such documents and information as may be prescribed.

(3) The secretary may refuse to accept an application if the Board has within a period of twelve months immediately preceding the application refused registration of the applicant.

(4) It shall be stated in the application whether the applicant has professional or business connections or substantial shareholding in any banking institution, insurance company, management company of mutual funds, or trust company, and the Board shall take such matters into account in determining whether or not to grant the application.

(5) Where the Board is satisfied that the applicant has complied with the requirements of this section and of any Rules made under this Act and is a suitable person to be registered, the Board shall cause the applicant to be registered as a stockbroker, and shall upon the payment of the prescribed fee by the applicant issue to him a licence to trade in the prescribed form.

(6) A licence issued under this section shall be valid for one year from the date of issue, and shall be renewable upon an application under this section.

(7) Where the Board refuses to register an applicant, it shall notify the applicant in writing of the reasons for so doing.

Register of
members and
of stock-
brokers.

17. (1) The Board shall—

- (a) establish and maintain a register of membership in the prescribed form of all companies duly registered as limited corporate members;
- (b) make all necessary alterations of and amendments to the particulars of a registered member as the occasion arises;

- (c) delete from the register the names and particulars of members whose registration has been cancelled under this Act or whose names have been removed from the register kept under the Companies Ordinance;
- (d) record in the register the suspension from practice of any member.

Ch. 51. No. 1.
(1950 Ed.).

(2) The Board shall also—

- (a) establish and maintain a register of stockbrokers duly registered under this Act;
- (b) delete from the register of stockbrokers any person whose registration has been cancelled under this Act;
- (c) record in the register of stockbrokers the suspension from practice of any stockbroker.

(3) The Board shall by the 31st of March in every year prepare a list of all limited corporate members and of all stockbrokers whose names are on that date on the registers aforesaid.

(4) The Board shall cause the list referred to in subsection (3) to be published in the *Gazette* within fourteen days of their preparation, and shall also publish in similar fashion as soon thereafter as possible any alteration of the particulars of any member or stockbroker.

(5) The Board shall permit any person, upon the payment of a prescribed fee by that person, to inspect and to make extracts of any entry in any of the registers referred to in subsections (1) and (2).

18. Subject to the provisions of this Act, every applicant for registration as a stockbroker shall—

Qualification
for registra-
tion as a
stockbroker.

- (a) be a citizen of and ordinarily resident in Trinidad and Tobago, and shall be at least 21 years of age;
- (b) be of good character;
- (c) not have external interests direct or indirect which may conflict with the conduct and integrity of his business as a stockbroker;
- (d) intend to practise as a stockbroker as his prime occupation;

- (e) not be a person who has been suspended from dealing on or expelled from the Trinidad and Tobago Stock Exchange or any other stock exchange;
- (f) have had experience acceptable to the Board as a dealer in securities, or shall have worked in an appropriate capacity in the office of a stockbroker for at least three years, or shall be a person having qualified in any examination set by the Board or having a recognised qualification in economics, banking, law, accountancy, business administration or secretarial practice and has also had at least two years' experience in the office of a stockbroker;
- (g) not have had a receiving or bankruptcy order made against him which remains undischarged.

Trading in securities.

19. (1) Subject to the provisions of this Act no person shall after the commencement of this Act trade in securities or describe himself or hold himself out or allow himself to be described or held out as a stockbroker unless he is registered under this Act.

(2) No stockbroker shall employ in any capacity any person—

- (a) whose registration as a stockbroker has been cancelled;
- (b) who has been suspended from trading as a stockbroker;
- (c) whose application for registration has been refused;

without the consent of the Board in writing.

(3) No stockbroker shall trade as a stockbroker while he is suspended.

(4) Any person who contravenes the provisions of subsections (1), (2) or (3) is liable upon summary conviction to a fine not exceeding \$50,000 and to imprisonment for two years.

(5) Nothing in this section shall prohibit a dealer employed by a member company from performing the duties of stockbroker under the direction and control of that member company.

PART II

DISCIPLINARY POWERS OF BOARD

20. (1) If the Board considers that a stockbroker— Disqualification of stockbroker.
- (a) has been guilty of negligence in trading on the Stock Exchange;
 - (b) has obtained his licence to trade by fraud or mistake;
 - (c) has defaulted in payment of any monies due to the Stock Exchange or to a member company;
 - (d) has contravened any provision of this Act or any Rules made thereunder;
 - (e) is unsuitable to trade on the Stock Exchange by reason of any other circumstances whatsoever which either are likely to lead to the improper conduct of business by him, or, reflect discredit upon his method of conducting business;

it may cancel the stockbroker's licence, or it may suspend him from trading, or it may impose on him a fine not exceeding one thousand dollars.

(2) Where the Board cancels a stockbroker's licence or suspends him from trading or imposes a fine on him, such stockbroker shall not resume trading until his licence has been renewed, or the suspension has been removed, or he has paid the fine, as the case may be.

(3) Where the Board suspends a stockbroker from trading, or imposes a fine under this section, it may also suspend the member company on whose behalf the stockbroker is trading or it may impose a fine upon the company not exceeding one thousand dollars.

(4) A stockbroker shall be liable for any breach of any of the provisions of this Act or of any Rules made thereunder committed by a dealer supervised by him, and shall be liable to any of the penalties set out in subsection (1) unless he can prove to the satisfaction of the Board—

- (a) that the dealer acted without his permission or connivance;

- (b) that he had taken all reasonable steps to prevent the breach; and
- (c) that it was not under any conditions of employment or within the authority of the dealer to commit the breach.

Revocation
and suspension
of licences.

21. (1) Where a member company or a stockbroker has been convicted of a criminal offence involving fraud or dishonesty, such member company or stockbroker shall cease to be licensed under this Act with effect from the date of the conviction.

(2) Where a member company or a stockbroker has been charged for a breach of any of the provisions of this Act, such member company or stockbroker may be suspended from trading, but such suspension shall cease upon the dismissal of the charge, or upon the withdrawal of the proceedings.

Complaints
against
members and
stockbrokers.

22. (1) Any person who is aggrieved by any act of or dealing by a member company or a stockbroker may lodge a complaint in writing to the Board and the Board shall investigate and adjudicate upon the complaint.

(2) Upon the completion of the adjudication, the Board shall make such an order as the justice of the case requires.

Dispute between
member
companies.

23. (1) Where a dispute involving transactions in securities arises between member companies, such dispute shall be referred to the Board, and the Board shall investigate the dispute, and shall make such order for the resolution of the dispute as it thinks fit.

(2) The Board's decision under this section shall be final, and shall not be appealable.

Right of appeal.

24. (1) An applicant whose application is refused under section 16 or a stockbroker against whom an order is made under section 20(1), or a member company against whom an order is made under section 20(3), or a person other than a member company who is aggrieved by an order made under section 20(2), may appeal against such refusal or order in the manner specified in section 75.

(2) On appeal the Court of Appeal or a Judge in Chambers as the case may be, may confirm or reverse the decision of the Board.

PART III

FINANCIAL—STOCK EXCHANGE

25. (1) The funds of the Stock Exchange shall consist of: Funds of Stock Exchange.
- (a) fees paid by issuing companies for the inclusion of their securities in the official list;
 - (b) such fees, subscriptions, and charges that become payable under this Act, or otherwise to the Stock Exchange;
 - (c) charges payable by non-members of the Stock Exchange for services rendered;
 - (d) such other monies and assets that may accrue to the Stock Exchange.

(2) The Board shall have the power to prescribe all fees, subscriptions and charges mentioned in subsection (1).

26. (1) The secretary shall keep proper books of accounts Books of accounts. of—
- (a) all monies received and expended by the Stock Exchange and shall record the matters in respect of which such monies have been received and expended;
 - (b) the assets and liabilities of the Stock Exchange.

(2) Where assets are held upon any special trusts, the receipts and expenditure relating to such trust shall be kept in an account separate and apart from all other receipts and expenditure.

(3) All accounts shall be kept in the office of the Stock Exchange in Port-of-Spain for a period of ten years after the last entry therein, and shall be open to inspection by members of the Board and by the auditors.

(4) Within three months after the end of each financial year, the secretary shall prepare in respect of that year:

- (a) an account of the revenue and expenditure of the Stock Exchange;

- (b) a balance sheet;
- (c) such other accounts as the Board may require;
- (d) a report setting out the activities of the Stock Exchange.

(5) Accounts prepared by the secretary in accordance with this section shall be audited by a duly appointed auditor, and shall be signed by the Chairman and not less than two other directors.

(6) The secretary shall cause copies of the signed accounts to be sent to every member of the Board, every member of the Stock Exchange, and the auditor.

Appointment
of auditor.

27. (1) The Stock Exchange shall appoint an auditor who shall be a member of the Institute of Chartered Accountants of Trinidad and Tobago.

(2) The auditor appointed under subsection (1) shall have the right if requested by the Board to examine all books, accounts, stock registers and other records required to be kept by member companies under this Act.

PART IV

FINANCIAL—MEMBER COMPANIES

Minimum
capital
requirements.
Second
Schedule.

28. (1) Within three years of being registered under this Act, the members listed in the Second Schedule shall have a minimum issued and paid up capital of four hundred thousand dollars.

(2) Every member company shall maintain capital reserves and such minimum amount of liquid capital at levels which the Board may from time to time fix.

Records
and books
of accounts.

29. A member company shall keep such books, accounts, stock registers and such other records—

- (a) as may be necessary to show the nature and details of all dealings and transactions entered into;
- (b) as may be required to explain transactions and the financial status of its business at any time;

- (c) to enable a true profit and loss account and balance sheet to be prepared from time to time;

and such other books and records as the Stock Exchange may from time to time prescribe.

30. (1) A member company shall establish and keep in a commercial bank or banks in Trinidad and Tobago one or more trust accounts designated as such into which it shall pay:

Trust accounts.

- (a) all amounts (less any commission and proper charges) that are received from or on account of any person, other than another member company, for the purchase of securities not delivered to the member company within ten trading days after receipt of those amounts;
- (b) amounts (less any commission and other proper charges) that are received on account of any person other than a member company from the sale of securities and not paid to that person or as that person directs within ten trading days after receipt of such amounts.

(2) Save as otherwise provided in this Part monies held in trust accounts in accordance with this section shall not be available for payment of the debts or expenses of a member company, or be liable to be paid or taken in execution under an order or process of any court.

31. A member company shall not withdraw any monies from a trust account established under section 30 except for the purpose of making payment on behalf of or to the person lawfully entitled thereto, or for any other purpose duly authorised by law.

Purposes for which money may be withdrawn from trust account.

32. Nothing in this Part shall be construed as affecting in any way any lawful claim or lien which any person may have against or upon any monies held in a trust account, or against or upon any monies received for the purchase of securities, or from the sale of securities, before such monies are paid into a trust account.

Claims and liens not affected.

33. Every director of a member company that fails to comply with or contravenes any of the provisions of

Contraventions.

sections 28, 29 or 30 is upon summary conviction liable to a fine not exceeding five thousand dollars or in default one year's imprisonment.

Audit of
member
companies.

34. (1) A member company shall appoint an auditor who is a member of the Institute of Chartered Accountants of Trinidad and Tobago, and where for any reason that auditor ceases to hold office, the member company shall appoint another such member in his place.

(2) Within three months after the end of its financial year, a member company shall prepare a balance sheet and a profit and loss account in respect of that year, and shall submit such balance sheet and account and all other relevant documents to the auditor.

(3) The auditor shall, if he is so satisfied, certify that the business of the company has been conducted in accordance with the provisions of this Act and Rules made thereunder, and that the balance sheet and profit and loss account are true and fair statements of the business of the company in respect of that financial year, and he shall submit a copy of the accounts so certified to the Board.

(4) Where the auditor is not satisfied in relation to the matters set out in subsection (3), he shall qualify the accounts and notify the Board accordingly.

(5) Upon receipt of the notification under subsection (4), the Board shall suspend the company from trading on the Stock Exchange, and such suspension shall not be removed until the auditor appointed by the Board under section 27 certifies as in subsection (3).

Indemnity
insurance.

35. Every member company shall to the satisfaction of the Board effect appropriate policies of insurance for the purpose of indemnifying itself against any liability that may be incurred as a result of any act or omission of any of its officers or employees.

Obligations
of directors
of member
companies.

36. (1) Every director of a member company shall—
(a) at all times be the beneficial owner of shares in that member company which at the date of his appointment as a director were of a value of not less than forty thousand dollars,

or have instead a subordinated loan to the member company of not less than the amount aforesaid;

- (b) assume with the other directors of the member company joint and several liability for all the debts and obligations of that member company by giving a liability notice to the Board in a form approved by the Board subject to the limitation of one hundred thousand dollars in the case of a director who is a stockbroker and of twenty-five thousand dollars in the case of any other director;
- (c) terminate the liability notice referred to in paragraph (b) only with the consent of the Board, and in such manner as the Board may approve;
- (d) not resign from his directorship without giving the Board one month's notice of his intention to do so;
- (e) in the event of the failure or declaration of default of the member company of which he is a director, himself be deemed to be a defaulter.

(2) For the purposes of subsection (1) a subordinated loan is a loan which, in the event of a winding up of a member company, shall notwithstanding the provisions of any other written law to the contrary not rank for distribution of the assets of such a company until all claims save for other subordinated loans have been satisfied.

(3) Notwithstanding any other written law, the Stock Exchange shall have a preferential lien on the stocks, shares or other interests which a director may have in a member company in respect of any debt that may be owing by that member company to the Stock Exchange, and such director shall not encumber or assign such stocks, shares or other interests.

37. (1) Notwithstanding any written law to the contrary, a member company shall not acquire any substantial shareholdings in any company not a member company other than in the usual course of the business

Prohibitions.

of trading in securities, and shall not acquire any shares, debentures or other interest in any member company, except where such acquisition involves the takeover of all the shares, debentures and other interests of the other member company.

(2) A person who is not a stockbroker shall not beneficially own more than ten per cent of the issued equity capital of a member company, nor shall he be entitled to exercise more than ten per cent of the votes capable of being cast at any meeting of the member company.

(3) A stockbroker shall not beneficially own any of the issued equity capital of a member company, other than of that company on whose behalf he trades on the Stock Exchange.

(4) Where the holding of a person who is not a stockbroker exceeds the maximum holding prescribed in subsection (2), the member company shall require him by notice in writing to reduce his holding within the prescribed limit.

(5) Should the person referred to in subsection (2) fail to comply within twenty-eight days of the receipt of the notice referred to in subsection (4), directors of the member company shall cause the shares which are in excess of the limit prescribed by subsection (2) to be sold, and the proceeds of the sale less any necessary expenses shall be paid to the person.

(6) Failure to comply with the provisions of this section shall render the licence of the member company revocable by the Board.

(7) A financial institution having business interests in areas of investment, finance, (including banking) money management or insurance is prohibited from acquiring shares in a member company.

PART V

LISTING

Listing of securities.

38. (1) A public company incorporated or registered in accordance with the laws of Trinidad and Tobago

wishing to have its securities listed on the Stock Exchange shall be required to enter into an agreement in the form set out in Form I of the Fourth Schedule.

Form I
Fourth
Schedule.

(2) A corporation formed in Trinidad and Tobago other than a company of the kind mentioned in subsection (1), and other than a private company wishing to have its securities listed on the Stock Exchange shall be required to enter into an agreement in the form set out in Form II of the Fourth Schedule.

Form II
Fourth
Schedule.

(3) Subject to subsections (1) and (2), the Board may make Rules prescribing the conditions to be complied with where applications are made for the listing of securities.

(4) Upon the compliance with subsection (1) or (2) as the case may be, and with any Rules made under subsection (3), the securities shall be admitted for listing on the Stock Exchange.

(5) The Board shall as often as it may determine but not less than once every week prepare and publish a list of all securities admitted under this section. Such list shall include information of the current or most recent prices of all listed securities, together with such other information as the Board may consider fit to include therein.

(6) In addition to the information referred to in subsection (5) the Board may cause to be published any other relevant information which may relate to the market price of any security.

(7) The Board may in its discretion suspend any trading in securities where it is of the opinion that it is fair and reasonable to do so having regard to the smooth and fair running of the operations of the stock market.

39. Every company mentioned in section 38(1) whose securities have been admitted for listing under this Act shall thereupon become a company listed with the Stock Exchange.

Listed
companies.

40. (1) The Board shall publish the following information in respect of each listed company in a manner that is readily available to the public:

Publication of
particulars of
listed
companies.

(a) the full name and description of the company, its registered address and that of its registrar;

- (b) the names and addresses of the directors of the company;
- (c) the date of the company's incorporation or formation together with a brief history of its operations;
- (d) the structure of the company's authorised and issued capital, together with its recent capital history;
- (e) the company's dividend history and its latest balance sheet in summary form;
- (f) any special conditions relating to the transfer of the company's shares.

(2) The Board shall be entitled to demand and receive from each company in respect of which it publishes the information referred to in subsection (1) such fees as it may fix for so doing.

Securities
Markets
Council.

41. (1) The Board shall establish a Securities Markets Council of not more than twelve members together with a Chairman. The members other than the Chairman shall comprise four representatives each from the Stock Exchange, approved financial institutions and listed companies.

(2) The Chairman of the Board shall be the Chairman of the Securities Markets Council.

(3) The Securities Markets Council shall meet not less than once in every year, and on such other occasions as may be requested by any three of its members.

(4) At its annual meeting, and from time to time thereafter as the necessity arises, the Securities Markets Council shall review the requirements for the listing of companies and securities and other matters relating to trading including proposals for rates of broking commission, and shall submit its recommendations if any, to the Board, and the Board shall be guided by such recommendations.

PART VI

DEALINGS BY ALIENS

42. In this Part—

“alien” and a “company under alien control” have the same meaning assigned to those expressions in the Aliens (Landholding) Act; “shares” includes stocks and debentures.

Interpre-
tation.

Ch. 58:02.

43. (1) There shall be for the purposes of this Part an Aliens Investment Committee (hereinafter referred to as "the Committee") appointed by the Minister.

Aliens
Investment
Committee.

(2) The Committee shall comprise five persons one of whom shall be one of the members of the Board appointed under section 4(1)(a).

44. (1) A listed company under alien control shall not issue capital in Trinidad and Tobago unless it has applied for and obtained the written approval of the Minister.

Capital issue
by company
under alien
control.

(2) Shares issued in contravention of this section shall be forfeited to the State and shall be sold or otherwise dealt with for the benefit of the State as the President may direct.

45. (1) A listed company under alien control that wishes to issue capital in Trinidad and Tobago shall apply to the Committee and the Committee shall consider such application and shall submit its recommendations to the Minister.

Application
for the issue
of shares.

(2) Where the Committee recommends that the application be granted, it may subject to the approval of the Minister attach such terms and conditions as it sees fit to the issue of the capital.

46. (1) The Minister may make Regulations governing the approval of applications under section 45.

Minister
to make
Regulations.

(2) Regulations made by the Minister under this section shall have regard to—

- (a) the type and direction of investment by aliens;
- (b) the preservation and augmentation of national control of key sectors of industry;
- (c) the acceleration of national participation in enterprises owned by aliens;
- (d) the transfer to nationals of the skill, knowledge and expertise required to effectively manage and operate various enterprises.

47. (1) In complying with the provisions of the Companies Ordinance, every listed company shall—

- (a) maintain the register of its members in such a manner as to permit the ratio of national and

National
status of
shareholders
in listed
companies.
Ch. 31. No. 1.
(1950 Ed.)

alien members together with their respective holdings in the company to be readily ascertained;

- (b) identify the nationality of every shareholder and debenture holder in its annual return filed with the Registrar of Companies;
- (c) require evidence of the national status of any person who wishes to be registered a holder of shares or debentures.

(2) Every listed company shall once every quarter report to the Board the proportion of alien members on its register and the class of shares or debentures each such member holds.

(3) The Board shall maintain an up to date record of the ratio of alien and national holders of each class of shares or debentures issued by listed companies.

(4) For the purposes of subsection (1)(c), a declaration under the hand of the purchasing stockbroker shall be sufficient evidence.

Non
application.
Ch. 58:02.

48. (1) Section 13 of the Aliens (Landholding) Act shall not apply to a transfer of shares or debentures of a listed company by an alien to a citizen of Trinidad and Tobago.

Ch. 79:50.

(2) Regulation 6 of the Defence (Finance) Regulations 1942 as saved by section 46 of the Exchange Control Act shall not apply to listed companies.

PART VII

CONDUCT OF SECURITY BUSINESS

Conduct in
Trading.

49. (1) A stockbroker shall not trade on the Stock Exchange other than in the name and on behalf of a member company of which he is himself a member.

(2) All bids or offers for the purchase or sale of listed securities shall be made during the trading sessions of the stock market.

(3) Notwithstanding the provisions of subsection (2), brokers may, where the sale or purchase order is in the opinion of the Board beyond the capacity of the stock market, find matching orders other than during the trading session in accordance with Rules made by the Board.

50. The beneficial ownership of any security sold on the stock market shall pass from seller to buyer with effect from the date of the transaction together with all rights and interests in such security unless such rights and interests are expressly excluded by the terms of the contract of sale in which case the nature of the exclusion and its extent shall be recorded at the time of the transaction in the contract note as provided for in section 57.

Beneficial ownership of Securities.

51. (1) Subject to subsection (2), a member company may trade in securities on the stock market both as an agent and as a principal.

Broker may act in dual capacity.

(2) Where a member company seeks to purchase securities on the stock market as a principal, and there is a competing bid on behalf of a client for the purchase of those securities which equals the bid made by the member company, such competing bid shall be preferred to that made by the member company.

(3) For the purposes of this section trading as a principal includes trading on behalf of a corporation in which the member company or its directors have a controlling interest.

(4) Where a member company purchases securities on the stock market as a principal, it shall record such securities in a book of accounts separate from the book of accounts relating to securities held as an agent.

(5) Where a member company seeks to purchase securities as a principal, it shall so declare in its bid, and where it fails to do so, the vendor may rescind the contract by giving the member company a notice of rescission in writing within seven days after the receipt of the contract note, and shall send a copy of the notice to the Board.

(6) The Board shall have the power to vary the number of member companies making markets in specified listed securities.

52. (1) It is unlawful for any person directly or indirectly for the purpose of creating a false market in any security—

Prohibition of false markets.

(a) to effect any transaction in such security which involves no change in the beneficial ownership thereof; or

- (b) to enter an order or orders for the purchase of a security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price, has or have been or will be entered by or for the same or different parties.

(2) For the purposes of this section a false market is a market in which the movement in the price of a security is brought about or sought to be brought about by contrived factors such as the collaboration between buyer and seller calculated to create a movement of the price of the security not justified by the assets earnings or prospects related to that security.

Market
rigging
transactions.

53. It is unlawful for any person directly or indirectly to effect a series of transactions in any security on the stock market creating actual or apparent active trading in such security for the purpose of inducing the purchase or sale of such security by others.

Inducement
to purchase
or sell
securities by
dissemination
of information.

54. It is unlawful for a member company, or a stock-broker or any other person who is selling or offering for sale or purchasing or offering to purchase, any security whether in consideration or anticipation of a reward or benefit or otherwise, to induce a purchase or sale of such security on the stock market by the circulation or dissemination in the ordinary course of business of information to the effect that the price of any such security will or is likely to rise or fall because of market operations by any one or more persons conducted for the purpose of raising or depressing the price of such security.

Employment
of deceptive
device, etc.

55. It is unlawful for any person directly or indirectly in connection with the purchase or sale of any security—

- (a) to employ any device, scheme or artifice with the intention to defraud;
- (b) to engage in any act, practice or course of business which would operate as a fraud or deceit on any person;
- (c) to make any untrue statement of a material fact or omit to state a material fact with the intent to mislead.

56. It is unlawful for any person—

- (a) to disclose any internal or confidential information concerning the affairs of a listed company which he has obtained by virtue of his employment with that company, or any other employment, prior to the normal or arranged time for the publication of that information by that company; or
- (b) to carry out on his own behalf or on behalf of any other person any security transaction based on internal or confidential information concerning the affairs of a listed company prior to the normal or arranged time for the publication of information by that company.

Prohibition
of use of
confidential
information.

57. (1) Any member company who effects any sale or purchase of any listed security shall within twenty-four hours after the sale or purchase make and transmit a contract note of the transaction to its principal.

Contract
note.

(2) A contract note shall—

- (a) advise of the sale or purchase of the listed security;
- (b) state the price at and the consideration for which the sale or purchase was effected and the commission charged in connection therewith and any other proper charges;
- (c) identify the member company involved in the sale or purchase; and
- (d) contain such further particulars as may from time to time be required by the Board.

(3) No member company, or any other person shall have any legal claim to any commission or other fees with respect to the sale or purchase of any security when there is failure to comply with this section.

58. (1) Notwithstanding any provision to the contrary in the Memorandum and Articles of Association of a listed company—

Stock
transfer.

- (a) listed securities may be transferred by means of an instrument in the prescribed form, (to be called the Stock Transfer Form) executed by the transferor only and specifying the particulars of the consideration, the description

and number or amount of the securities, the person by whom the transfer is made, and the full name and address of the transferee;

- (b) where listed securities represented by a single certificate are purchased by more than one person, in addition to the Stock Transfer Form, instruments in the prescribed form (to be called the Brokers Transfer Form) shall be executed in respect of each transferee identifying the transferor, the stock transferred, and specifying the securities to which each such instrument relates and the consideration paid by each transferee for those securities.

(2) Where listed securities are purchased by more than one person, the Stock Exchange is empowered to certify the Brokers Transfer Forms against the Stock Transfer Form.

Ch. 76:01. (3) Notwithstanding the provisions of the Stamp Duty Act, no stamp duty shall be payable in respect of the transfer of any security under this section.

Ch. 58:02. (4) Where the transferee is an alien within the meaning of the Aliens (Landholding) Act, the licence to hold shares or debentures granted under that Act must be presented together with the Stock Transfer Form or the Brokers Transfer Form as the case may be to the Registrar of the Listed Company.

Default
by clients.

59. (1) Before transacting any business on behalf of a new client, a member company shall submit the name of that client to the Stock Exchange unless that client was referred to the member company by a commercial bank or an approved financial institution. But where the consideration relating to the transaction does not exceed one thousand dollars, no such reference is necessary.

(2) A member company shall without delay inform the Board of any client who has failed to meet his obligations arising out of any dealing on the Stock Exchange.

(3) Thereupon the Board shall inform the client of the report made against him and proceed to investigate the report and may, if satisfied of its accuracy, make an order forbidding member companies from transacting any business on the Stock Exchange for such client or his nominee.

(4) Where the Board is satisfied that it is in the interest of the proper regulation of business on the Stock Exchange, the Board may issue instructions prohibiting member companies from transacting business on behalf of non-members or class of non-members or their nominees, and upon such instructions being issued, no such business shall be transacted on the Stock Exchange on behalf of such non-members or class of non-members or their nominees.

(5) Before making an order under subsection (4), the Board shall inform the person or persons who will be adversely affected by such order, of its intention to make the order and of its reasons for doing so, and shall give such person or persons an opportunity to show cause why the order should not be made by the Board.

(6) Any person adversely affected by an order made under subsection (3) or subsection (4) may appeal against that order in the manner specified in section 75.

(7) On appeal the Court of Appeal or a Judge in Chambers, as the case may be, may confirm, reverse or vary the order of the Board.

60. Any person who contravenes any of the provisions of sections 52, 53, 54, 55 or 56 is liable— Offences.

(a) on summary conviction to a fine not exceeding two thousand dollars, and to imprisonment for three months;

(b) on conviction upon indictment to a fine not exceeding four thousand dollars, and to imprisonment for six months.

PART VIII

INTEREST ON SHARES AND DEBENTURES OF LISTED COMPANIES

61. (1) Where, upon the commencement of this Act, a director of a listed company is interested in shares in, or debentures of, the company or the company's subsidiary or holding company or a subsidiary of the company's holding company, or thereafter becomes interested in such shares or debentures, he shall notify the listed company in Notification of director's interest.

writing of his interest in such shares or debentures giving particulars of the number of shares in and amount of debentures of every class.

(2) A director shall notify the listed company of which he is a director within five days of the occurrence while he is a director of any of the following events:

- (a) any event in consequence of which he becomes or ceases to be interested in shares in, or debentures of, the listed company or its subsidiary or holding company or a subsidiary of its holding company;
- (b) the entering into by him of a contract to sell any such shares or debentures;
- (c) the assignment by him of a right granted to him or to any member of his family by the listed company to subscribe for shares in or debentures of the company;
- (d) the grant to him by another company being a subsidiary of the listed company or a holding company or a subsidiary of the listed company's holding company of a right to subscribe for shares in or debentures of that other company, the exercise of such a right or the assignment of such a right;

stating the number or amount and class of shares or debentures involved.

(3) Where a director of a listed company is granted the right to subscribe for shares in or debentures of a company under subsection 2(d), he shall notify the listed company of the date on which the right is granted, the period during which or the time at which the right is exercisable, and the consideration for the grant, and in the case of the exercise of the right the number of shares and amount of debentures in respect of which it is exercised, and the name or names in which such shares and debentures are registered.

(4) Nothing in this section shall operate so as to impose an obligation with respect to shares of or debentures in a company which is the wholly owned subsidiary of another company, and for this purpose a company shall be deemed to be the wholly owned subsidiary of another company if it has no members except that other company and any wholly owned subsidiaries of that other company.

(5) Where a listed company is notified by a director of any matter of which he is required to give notice under this section, or inscribes in its register any matter required to be inscribed under section 66 or section 67, such matters relating to shares and debentures, the listed company shall inform the Stock Exchange before the end of the day following the day of the notification or inscription as the case may be, and the Board may publish, in such manner as it may determine, any information it receives under this subsection.

62. (1) A person is deemed to be interested in shares or debentures if a listed company is interested in them and—

Interest in
shares and
debentures.

- (a) the directors of that company are accustomed to act in accordance with that person's directions or instructions; or
- (b) that person is entitled to exercise or control the exercise of one-third or more of the voting power at any general meeting of that company.

(2) A person shall also be deemed to be interested in shares in, or debentures of, a listed company if—

- (a) he enters into a contract for the purchase thereof by him; or
- (b) he has a right to call for delivery thereof to himself or to his order, whether such right is exercisable presently or in the future; or
- (c) not being a registered holder thereof, he is entitled (otherwise than by virtue of his having been appointed a proxy to vote at any meeting of the company, or of his having been appointed by a corporation to act as its representative at any meeting of the company), to exercise any right conferred by the holding thereof or is entitled to control the exercise of any right so conferred; or
- (d) has an interest other than a discretionary interest under a trust the property whereof comprises such shares or debentures, and he is not a bare trustee or a custodian trustee thereof.

(3) Persons having a joint interest shall be deemed each of them to have that interest.

(4) So long as a person is entitled to receive, during the lifetime of himself or another, income from trust property comprising shares or debentures, an interest in the shares or debentures in reversion or remainder shall be disregarded for purposes of this section.

(5) It is immaterial that shares or debentures in which a person has an interest within the meaning of this section are unidentifiable.

(6) Subject to the provisions of this Act, references to a person being interested in shares or debentures of a company shall be construed so as not to exclude an interest on the ground of its remoteness or the manner in which it arises or by reason of the fact that the exercise of a right by ownership thereof is, or is capable of being made, subject to any restraint or restriction.

Extension
to spouses
and children.

63. (1) For the purposes of sections 61 and 62—

- (a) an interest of the wife or husband, infant daughter or infant son (not being herself or himself a director) of a director of a listed company shall be treated as being the director's interest; and
- (b) any interest which arises by virtue of section 62 and is vested in the wife or husband, infant daughter or infant son (not being herself or himself a director) of a director of a listed company shall be treated as the director's interest.

(2) In this section, "son" includes a step-son and an adopted son and "daughter" includes a step-daughter and an adopted daughter.

Register of
directors'
interests.

64. (1) Every listed company shall keep a register for the purposes of section 61, and whenever the company receives information from a director in consequence of an obligation imposed on him by that section, it shall inscribe in the register against the name of that person that information and the date of the inscription.

(2) Every listed company shall—

- (a) whenever it grants to a director a right to subscribe for shares in or debentures of, the company, inscribe in the register

against his name the date on which the right is granted, the period during which or time at which the right is exercisable, the consideration for the grant (or if it be the case that there is no consideration, that fact), the description of the shares or debentures involved, and the number or amount thereof, and the price to be paid therefor;

- (b) whenever such a right as aforesaid is exercised by a director, inscribe in the register against his name that fact, identifying the right and the number or amount of shares or debentures in respect of which it is exercised and the name or names of the person or persons in whose name or names they were registered, together (if they were registered in the names of two persons or more) with the number or amount thereof registered in the name of each of them.

(3) The nature and extent of a director's interest in or over any shares or debentures recorded in relation to him in the register shall, if he so requires, be indicated in the register.

(4) The register must be so made up that the entries therein against the several names inscribed therein appear in chronological order, and shall be indexed to enable the information in respect of each name to be readily found, such inscription to be made within three days.

(5) The register shall be kept at the company's registered office or at the place where the company's register of members is kept and shall during business hours (subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of five dollars or such less sum as the company may fix for each inspection.

(6) The register shall also be produced at the commencement of the company's annual general meeting and remain open and accessible during the continuance of the meeting to any person attending the meeting.

(7) Any member of the company or other person may require a copy of the register or of any part thereof on payment of ten dollars or such less sum as the company may fix for every hundred words or fractional part thereof required to be copied.

Obligation to notify listed company of acquisition of substantial shareholding.

65. (1) Every person who—

- (a) being previously uninterested in shares comprised in the relevant share capital of a listed company becomes interested in such shares of a nominal share value equal to one-tenth or more of the nominal share capital, or being previously interested in such shares of a nominal value of less than one-tenth of the nominal value of the share capital, acquires interest in such shares as to increase the nominal value of all shares so comprised in which he is interested to one-tenth or more of the nominal value of that share capital; or
- (b) being previously interested in shares comprised in the relevant share capital of a listed company of a nominal value of not less than one-tenth of the nominal value of that share capital—
 - (i) acquires such interest in shares comprised in that share capital as to increase the nominal value of all shares so comprised in which he is interested; or
 - (ii) suffers a decrease in the nominal value of shares so comprised in which he is interested, but remains interested in such shares of a nominal value equal to one-tenth or more of the nominal value of that share capital; or
- (c) being previously interested in shares comprised in the relevant share capital of a listed company of a nominal value equal to one-tenth or more of the nominal value of that share capital, suffers a decrease in the nominal value of such shares in which

he is interested, so that the nominal value of such shares in which he is interested is equal to less than one-tenth of the nominal value of that share capital, or becomes uninterested in such shares;

shall notify the company in writing of the occurrence of the event resulting in his change of interest within five days of the date on which it occurred, and the number of shares in that share capital in which he has become interested or has suffered loss of interest.

(2) Every person who upon the commencement of this Part is interested in shares comprised in the relevant share capital of a listed company of a nominal value of one-tenth or more of the nominal value of that share capital shall within five days notify the company of the subsistence of his interests at that time and the number of shares comprised in that share capital in which each interest subsists at that time.

(3) In the event that a company becomes a listed company, or a listed company's share capital of any class becomes relevant share capital, subsection (2) shall apply as in the case therein mentioned but with the substitution for references to the time when this Act comes into operation of references to the time at which the event occurs.

(4) This section shall not apply to an interest in relevant share capital held by any person in a member company for the purpose of making a market in the trading in securities.

66. (1) Every company to which section 65 applies shall keep a register for the purposes of that section and whenever the company receives information from a person in consequence of fulfilment of an obligation imposed on him by that section, it shall inscribe within the register against the name of that person that information and the date of the inscription, and shall notify the Board accordingly.

Register of
interest in
voting shares.

(2) Subsections (5), (6) and (7) of section 64 shall apply to the register required to be kept under this section.

Disclosure
of beneficial
interest in
share capital.

67. (1) A listed company may by notice in writing require any member of that company within such reasonable time as is specified in the notice—

- (a) to indicate in writing the capacity in which he holds any shares comprised in relevant share capital of the company; and
- (b) if he holds them otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge the person who has an interest in them (either by name and address or by other particulars sufficient to enable that person to be identified) and the nature of that person's interest.

(2) Where a company is informed in pursuance of a notice given to any person under subsection (1) that any other person has an interest in any shares comprised in relevant share capital of the company, the company may by notice in writing require that other person within such reasonable time as specified in the notice—

- (a) to indicate in writing the capacity in which he holds that interest; and
- (b) if he holds it otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge the person who has an interest in it (either by name and address or by other particulars sufficient to enable him to be identified) and the nature of that person's interest.

(3) Any listed company may by notice in writing require any member of the company to indicate in writing, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any shares comprised in the relevant share capital of the company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give so far as it lies within his knowledge written particulars of the agreement or arrangement and the parties to it.

(4) Where a company is informed in pursuance of a notice given to any person under subsection (3) that any other person is a party to such agreement or arrangement as is mentioned in subsection (3), the company may by notice in writing require that other person within such reasonable time as is specified in the notice to give, so far as it lies within his knowledge, written particulars of the agreement or arrangement and the parties to it.

(5) Whenever a company receives information from a person in pursuance of a requirement imposed on him under this section, it shall inscribe against the name of that member in a separate part of the register kept by it under section 66—

- (a) the fact that the requirement was imposed and the date on which it was imposed; and
- (b) the information received in pursuance of the requirement.

(6) For the purposes of section 65 and of this section the expression "relevant share capital" means issued share capital of a class carrying the right to vote in all circumstances and at all general meetings.

68. In the computation of time for the purposes of this Part, Saturdays, Sundays and public holidays shall be disregarded. Computation of time.

69. Any person who commits a breach of any section in this Part or who in complying with any other section makes a statement which he knows to be false, or recklessly makes a statement which is false, or fails to supply any particulars which he is required to supply is liable— Offences.

- (a) on summary conviction to a fine not exceeding one thousand dollars and to imprisonment for a term not exceeding three months;
- (b) on conviction on indictment to a fine not exceeding two thousand dollars and to imprisonment for a term not exceeding six months.

PART IX

MISCELLANEOUS

70. (1) Where the Minister has reason to believe that there has been a failure to comply with the provisions of Powers of Investigation.

this Act or with any Regulations or Rules made thereunder by a member company, a stockbroker or any other person involved in any dealing on the stock market, he may require the Board to investigate the matter and to report the result of such investigation.

(2) In carrying out an investigation under this section the Board shall have the power to require the production of any document or other information it considers relevant to the investigation.

(3) After considering the report, the Minister may refer the matter to the Inspector of Banks to investigate any aspect of the Board's report as he thinks fit.

(4) To carry out his functions under this section the Inspector of Banks shall have the power to summon witnesses to give evidence or produce any document, or other material to enable him to carry out his investigation.

(5) Upon the completion of his investigation, the Inspector of Banks shall report the result of his investigation to the Minister.

(6) Upon a consideration of the report of the Board under subsection (1) or that under subsection (5), and being of the opinion that a breach of this Act or Regulations, or Rules made thereunder has been committed, the Minister shall refer the matter to the appropriate authority having the power to deal with such a matter under this Act.

Evidence.

71. Where it is provided in this Act that a register be established and maintained or kept, or a book of accounts be kept, or a list be prepared or published, any entry in such a register, book of account or list, and the production of any licence or certificate issued under this Act shall be *prima facie* evidence of the contents thereof.

Prosecution.

72. (1) No proceeding against any person or body corporate for a breach of any of the provisions of this Act, or for a failure to comply with any of the provisions may be commenced after the expiration of four years after the day upon which the offence was committed.

(2) No proceeding under this Act shall be commenced without the consent of the Director of Public Prosecutions having been obtained.

73. In any proceeding for an offence under this Act, it shall be a good defence for the person charged to prove that he took all reasonable precautions and exercised all due diligence to avoid the commission of the offence by himself or by any person under his control.

Defence to
prosecution.

74. In the absence of any specific provision in this Act governing the operations of the Stock Exchange, the appropriate provision of the Companies Ordinance for the time being in force shall apply.

Companies
Ordinance
to apply.
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75. (1) In those cases in which an appeal is provided for by this Act or by Regulations made under it, such appeal shall lie to a Judge in Chambers from any decision, refusal, ruling or order of the Board.

Appeals.

(2) Notwithstanding that an appeal lies under this Act or Regulations made under it from any decision, refusal, ruling or order of the Board such decision, refusal, ruling or order shall be binding upon the appellant unless—

(a) within fifteen days of the receipt of the notification of the decision, refusal, ruling or order, he serves on the Board notice of his intention to appeal therefrom setting forth the grounds of appeal; and

(b) within fifteen days after serving the notice he files his appeal with the Registrar of the Supreme Court and prosecutes the same with due diligence.

(3) Where the conditions specified in paragraphs (a) and (b) of subsection (2) are satisfied no action may be taken by the Board on any decision, refusal, ruling or order given or made by it under this Act until the Judge in Chambers determines the matter.

(4) On an appeal the appellant and the Board as respondent may appear personally or be represented by counsel or solicitor or by any other person.

(5) An appeal from the determination by a Judge in Chambers shall be to the Court of Appeal the decision of which shall be final.

(6) On an appeal a Judge in Chambers or the Court of Appeal, as the case may be, may confirm, reverse, or vary any decision, refusal, ruling or order made or given by the Board.

Ch. 4:01.

(7) The Rules Committee established under the Supreme Court of Judicature Act, may make Rules prescribing the conduct of appeals filed under subsection (1) and the time within which notice of appeal to the Court of Appeal shall be given.

Rules.

76. The Board may make Rules providing for such matters as may be necessary or expedient for carrying the purposes of this Act into effect, and without limiting the generality of the foregoing, may make Rules in relation to any matter which may be prescribed under this Act.

FIRST SCHEDULE

(Section 3)

*Memorandum of Association of the Trinidad and Tobago
Stock Exchange*

A COMPANY LIMITED BY GUARANTEE

1. The name of the Company (hereinafter called the Stock Exchange) is to be the Trinidad and Tobago Stock Exchange.

2. The registered office will be situated in Port-of-Spain.

Ch. 83:02.

3. Subject to the provisions of the Securities Industry Act, the objects for which the Stock Exchange is established are:

- (i) to provide, regulate and maintain facilities for conducting the business of a Stock Exchange in Trinidad and Tobago;
- (ii) to make, repeal and amend from time to time, Rules and Regulations relating to member companies, stockbrokers and trading on the Stock Exchange which are designed to achieve just and equitable principles in the securities market;
- (iii) to promote and protect the interests of the members of the Stock Exchange;
- (iv) to promote the interests of the securities market as a whole, with a view to promoting the commerce and industries of Trinidad and Tobago and to augment the financial resources available to these sectors;
- (v) to provide services to investors, to encourage and provide all facilities conducive to wider share ownership by the citizens of Trinidad and Tobago;
- (vi) to take all appropriate action on the Stock Exchange to increase the supply of corporate and government securities on to the capital market;
- (vii) to provide and impose listing requirements and undertakings related to listed companies and to publish and enforce a code for mergers, takeovers and acquisitions;

- (viii) to institute policies and procedures for market surveillance and companies' disclosure;
- (ix) to provide an authority for enforcement of the Rules relating to member companies and registered stock-brokers of the Stock Exchange, and to provide arbitration in the event of dispute;
- (x) to acquire information either directly or indirectly from member companies or other persons through periodic or other returns in writing or by holding any form of enquiry in public or in private;
- (xi) to work in close co-operation with the various authorities in Trinidad and Tobago, and enter into such arrangements with Government or public authorities as are conducive to the objectives of the Stock Exchange;
- (xii) to raise money from members from agreements, levies or otherwise, to impose charges or fees on non-members in return for services provided by the Stock Exchange and to provide funds for all or any purposes of the Stock Exchange;
- (xiii) to borrow and raise money for the purposes of the Stock Exchange, and arrange repayment in such manner as the Stock Exchange may think fit subject to Article 8 (vi)(f);
- (xiv) to invest the moneys of the Stock Exchange not immediately required for its purposes in such investments securities or property as may be thought fit subject to conditions imposed by law;
- (xv) to regulate the conduct of persons transacting business on the Stock Exchange;
- (xvi) to subscribe to or otherwise aid benevolent, patriotic, educational and other similar institutions;
- (xvii) to apply the income and the property of the Stock Exchange solely for the promotion of the objects of the Stock Exchange; no portion of such income and property shall be transferred directly or indirectly by way of dividend bonus or profit to members of the Stock Exchange.

Provided that nothing herein shall prevent the payment of reasonable and proper remuneration to any officer or other employee of the Stock Exchange, or such payment to any member of the Stock Exchange in return for services provided, nor prevent the payment of interest on money lent by any member to the Stock Exchange;
- (xviii) to appoint and remunerate such staff and agents as are essential for the efficient conduct of Stock Exchange operations, for such duration as may be considered necessary for the purposes of the Stock Exchange;
- (xix) to provide for the welfare and benefit of the employees and ex-employees of the Stock Exchange by means of subscription to a Pension Plan or other Schemes;

- (xx) to provide, regulate and maintain in Trinidad and Tobago a Stock Exchange Building containing a market floor and suitable offices for all aspects of the Stock Exchange's operations;
- (xxi) to construct or develop and turn to account any lands, buildings or other property acquired by the Stock Exchange, and sell, manage, lease, charge, or dispose of any part of the property, subject to the provisions of Article 8(vi)(f) of the Articles of Association;
- (xxii) to develop published standard forms of classification in the securities market and to acquire and publish such information as is required for the efficient and ethical conduct of business in the securities market;
- (xxiii) to publish or propagate material through printing or any other medium which the Stock Exchange considers desirable for the promotion and advancement of the securities market;
- (xxiv) to establish a Compensation Fund to be kept separate from all other property belonging to the Stock Exchange and to be held in trust for the purposes of indemnification of clients who may suffer financial loss as a result of default by a member of the Stock Exchange;
- (xxv) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

4. The liability of members is limited.

5. If on winding-up of the Stock Exchange there remains after the satisfaction of its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Stock Exchange but shall be transferred to other institution or institutions which have objects similar to those of the Stock Exchange and which prohibits the distribution of its income and property to its members in similar manner to that prescribed in this Memorandum such institution or institutions to be determined by the members of the Stock Exchange prior to its dissolution.

6. Every member of the Stock Exchange undertakes to contribute to its assets in the event of it being wound up while it is a member or within one year after the date of cancellation of its registration for payment of the debts and liabilities of the Stock Exchange contracted while it was a member, and of the costs, charges and expenses of winding-up the same while it was a member and for the adjustment of the rights and contributions amongst themselves, such as may be required not exceeding \$100,000.

ARTICLES OF ASSOCIATION OF THE TRINIDAD AND TOBAGO
STOCK EXCHANGE

Definitions

1. In these Articles—

“the Act” means the Securities Industry Act;

- “appointed director” means a person appointed to the Board by the Minister in accordance with section 4(1)(a) of the Act;
- “the Board” means the Board of Directors of the Stock Exchange named in accordance with the Act;
- “the Companies Ordinance” means the Companies Ordinance, Ch. 31. No. 1 and any amendment thereof or any modifications or replacements thereto; Ch. 31. No. 1.
(1950 Ed.).
- “elected director” means a director elected to the Board in accordance with section 4(1)(b) and (c) of the Act;
- “the General Manager” means the General Manager of the Stock Exchange appointed under Article 30;
- “official list” means the list prepared and published by the Stock Exchange in accordance with section 38(5) of the Act;
- “Rules” mean Rules made by the Board pursuant to the powers vested in it by the Act;
- “the seal” means the common seal of the Stock Exchange;
- “the Secretary” means the Secretary of the Stock Exchange appointed under Article 31.

THE METHOD OF ELECTION OF STOCKBROKER DIRECTORS

2. The method of election of the directors mentioned in section 4(1)(b) of the Act shall be as follows:

- (i) A candidate who must be a stockbroker must be nominated in writing by not less than two directors, and nomination papers shall be deposited with the Secretary at least fourteen days before the annual general meeting (hereafter referred to as the closing date for nominations). Nomination papers must bear the consent of the nominees. The Secretary shall forthwith after the closing date for nominations deliver or send to each member a list of the names of the candidates offering themselves for election.
- (ii) If the number of candidates is the same as the number of vacancies available on the Board, the Chairman shall declare the nominees duly elected.
- (iii) In the event of there being more candidates than vacancies, election shall be by poll at the annual general meeting, which may be attended by any director of a member company, but in which only stockbrokers shall have right to vote on behalf of member companies, as entitled under Article 32.
- (iv) Two scrutineers shall be appointed by the Board to conduct the ballot.
- (v) At the annual general meeting, in the event of a poll for the election of the Board of Directors, each stockbroker entitled to vote shall vote either in person or by proxy for the directors to be elected by placing a cross opposite the name of each candidate for whom he wishes to vote.

Voting papers shall be null and void where a stockbroker has voted for more than the full number of directors to be elected.

- (vi) The decision of the scrutineers on the validity of voting papers shall be final. In the event of a dispute between the scrutineers a decision made by the General Manager will be final and binding on members.
- (vii) All voting papers and proxies shall be examined and all votes counted in the presence of the General Manager and the two scrutineers at the annual general meeting in the presence of the stockbrokers present at it.
- (viii) If two or more candidates receive an equal number of votes, the Chairman shall have a casting vote.
- (ix) The scrutineers shall deliver written confirmation of the results of the poll to the Secretary, who shall as soon as possible notify each member of the names of the elected directors.

CASUAL VACANCIES OF ELECTED STOCKBROKER DIRECTORS

3. (i) A director elected in accordance with Article 2 shall vacate his office if he has given thirty days' notice to the Chairman of his intention to resign from office, or in the case of the Chairman, to the Deputy Chairman, in which event the office shall become vacant after the period of thirty days.

(ii) The Board shall have power at any time and from time to time, to appoint a registered stockbroker to be a director to fill a vacancy occurring by virtue of paragraph (i). Any director so appointed shall hold office only until the next following annual general meeting, and shall be eligible for election.

REMOVAL OF STOCKBROKER DIRECTORS FROM OFFICE

4. (1) A director elected in accordance with Article 2 shall vacate his office, and the office shall become vacant immediately if—

- (i) he ceases to be a registered stockbroker or is suspended from practice as a registered stockbroker;
- (ii) he is found to be or becomes of unsound mind; or
- (iii) he is absent without reasonable cause for four consecutive meetings of the Board.

(2) A director elected in accordance with Article 2 may be expelled from office by special resolution passed in accordance with section 115 of the Companies Ordinance. The Stock Exchange may by ordinary resolution appoint another registered stockbroker in place of a director removed from office under this article. The registered stockbroker appointed to fill such a vacancy shall hold office until the next following annual general meeting and shall be eligible for election.

Ch. 51. No. 1.
(1950 Ed.).

DIRECTORS REPRESENTING THE COMPANIES LISTED ON THE STOCK EXCHANGE

5. (i) Listed companies shall submit to the Secretary not later than two months before the date of the annual general meeting nominations for the election of those members on the Board provided for by section 4(1)(c) of the Act.

(ii) After the closing day for nominations the Secretary shall forthwith deliver or send to each listed company a list of names of the candidates and their description together with the voting papers and an especially identified envelope in which the voting papers shall be returned to the Secretary.

(iii) Each listed company shall vote by placing a cross opposite the name of each candidate for whom it wishes to vote, and depositing the voting paper with the Secretary before the close of the ballot which shall be not less than seven days before the date of the annual general meeting.

(iv) The procedures for scrutiny, counting of votes and confirmation of results of the ballot shall be carried out at the annual general meeting and shall be generally governed by the provisions regulating election of Directors in Article 2 as far as it is applicable.

(v) Casual vacancies and removal from office of directors elected by listed companies shall be dealt with in accordance with Articles 3 and 4 in so far as those Articles are applicable.

VACATION OF OFFICE BY APPOINTED DIRECTOR

6. Subject to the Act directors appointed in accordance with section 4(1)(a) of the Act shall vacate office at the discretion of the Minister.

ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN

7. Within fourteen days of being appointed under section 4(2) of the Act, the Board shall meet and shall elect from among themselves a Chairman and Deputy Chairman who shall be nationals of Trinidad and Tobago and who shall hold office until the first Board Meeting following the subsequent annual general meeting. Each will be eligible for re-election so long as he remains a director. If there is at any time a vacancy in the office of Chairman or Deputy Chairman, the Board may elect an elected director to fill the vacancy by ballot and he shall retire at the next annual general meeting without prejudice to his eligibility for re-election.

PROCEEDINGS OF THE BOARD

8. (i) The Chairman, or in his absence the Deputy Chairman shall take the chair at all meetings of the Board. If within fifteen minutes of the time for which the meeting is appointed neither the Chairman nor Deputy Chairman is present, then the directors present may choose one of their number as chairman of the meeting.

(ii) At meetings of the Board all questions shall be determined by a simple majority of members present subject to any special provision in these articles. Each director present shall have one vote, and in the event of equality of votes the person presiding as chairman shall have in addition to a deliberative vote, a casting vote.

(iii) The Board shall meet as regularly as it considers fit and the Chairman shall have the right to call a meeting at any time. The Secretary shall call a meeting of the Board on the written request of any three directors. Not less than two working days notice shall be given of meetings of the Board and the notice shall state briefly the business to be transacted. It shall not be necessary to give notice of a meeting of the Board to any director for the time being absent from Trinidad and Tobago.

(iv) No decision or act of the Board, or act done under the authority of the Board shall be invalid by reason only of the fact that—

- (a) the Board did not comprise the full number of directors for which provision is made in section 4 of the Act; or
- (b) a disqualified person acted as a director at the time the decision was taken.

(v) The quorum for meetings of the Board shall be five directors including at least two directors who are not stockbrokers.

(vi) Subject to the provisions of the Act, it shall be the function of the Board—

- (a) to manage and control the affairs of the Stock Exchange;
- (b) to regulate the transaction of business on the Stock Exchange;
- (c) to manage and invest the funds of the Stock Exchange;
- (d) to determine by resolution the manner in which all cheques, promissory notes, drafts, and other negotiable instruments and all receipts for moneys paid to the Stock Exchange shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be;
- (e) to cause minutes to be made in books provided for the purpose—
 - (i) of all appointment of officers made by the Board;
 - (ii) of the names of the directors present at each meeting of the Board and of any Committees of the Board;
 - (iii) of all resolutions and proceedings at all meetings of the Stock Exchange and of the Board and of Committees of the Board.
- (f) to raise or borrow monies for the purposes of the Stock Exchange not exceeding in aggregate the sum of \$500,000 in any one financial year unless otherwise authorised by a two-thirds majority of members at a general meeting, provided that the Board shall not, without such sanction of members of the Stock Exchange in general meeting, borrow or pledge any sum of money or issue debentures or debenture stock upon the security of any property of the Stock Exchange or grant mortgages for securing the same;
- (g) to do all things required to be done by the Board in accordance with the provisions of the Act and conducive to the achievement of the objects of the Memorandum of Association;

(vii) If it is not practicable to hold a meeting of the Board for the transaction of business of an urgent nature the Chairman, after consulting such other directors as are available in the circumstances, may deal with the business himself, and as soon as possible thereafter inform the Board of the nature and urgency of the business, and the action taken by him in the matter.

(viii) The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed as a quorum in this Article, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Stock Exchange, but for no other purpose.

(ix) The directors may delegate any of their powers to committees consisting of such members of the Stock Exchange as they think fit: any committee so formed shall in the exercise of the powers so delegated conform to any rules that may be imposed on it by the directors. The meetings and proceedings of these committees shall be governed by the provision of these articles regulating the meetings and proceedings of the Board, as far as applicable.

(x) All acts done by the Board or of a committee established under paragraph (ix), notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid or that he or any of them was disqualified, shall be as valid as if each such person had been duly appointed and was qualified to act as a director.

9. The Stock Exchange in general meeting shall determine what remuneration, if any, shall be paid to directors.

THE SEAL

10. The seal of the Stock Exchange shall not be affixed to any instrument except by resolution of the Board and in the presence of two directors or one director and the Secretary, who shall sign every instrument to which the seal shall be so affixed in their presence.

11. A provision of the Companies Ordinance or these Articles requiring or authorising a thing to be done by a director and the Secretary shall not be satisfied by its being done by the same person acting both as director and Secretary.

Ch. 31. No. 1.
(1950 Ed.).

DECLARATION OF DIRECTORS' INTERESTS

12. If at any meeting of the Board a director is aware that a matter which affects himself, or his spouse or his infant child, or any person or corporation in which he has private interests, is to be discussed, he shall forthwith declare that interest, and shall not vote on the matter, and if requested by another director shall leave the meeting during the discussion on the item concerned, provided that the Chairman does not consider the presence of the interested director essential in order to determine the item to be discussed.

OTHER INTERESTS OF MEMBERS

13. Any registered stockbroker conducting business or professional activities other than that of dealing in securities or holding directly or indirectly more than 10 per cent of the equity of a company other than the member company of which he is a shareholder, shall declare such activities to the Board in writing and the Board shall have absolute

power to determine whether or not such business activities or interests may be continued, and the conditions on which and the period for which they may be continued. If the Board obtains knowledge of any such interest held by a stockbroker which has not been so declared, the Board shall at its discretion suspend the stockbroker from trading and take such further action as it thinks fit.

STOCK EXCHANGE DISCIPLINARY PROCEEDINGS

14. (i) Any proposal for fine, suspension or cancellation of registration shall be deemed to be carried if passed by a simple majority at a meeting of the Board. Before any such resolution is considered by the Board, notice in writing specifying the time and place of the meeting and giving adequate particulars of the allegations against the member affected shall be served at its business address five days before the holding of the meeting, and the member may attend such meeting and be heard, and the proceedings entered in the confidential minute book of the Board.

(ii) If any fine is imposed on a member by the Board, the member shall be notified in writing. If the fine is not paid within ten working days after the service of such notice the member shall be immediately suspended, and if the fine is still unpaid for seven days after suspension the Board may cancel the offending member company's registration.

(iii) The default of any member to honour any commitments, relating to its stockbroking business or to other members should be investigated by the Board, which by a simple majority may vote to suspend such member.

(iv) The bankruptcy or insolvency of any member shall result in the automatic suspension of that member. A member who has been suspended shall immediately cease trading on the Stock Exchange and shall cease to enjoy any of the rights and privileges of membership, but shall remain in all respects liable under these Articles and the Rules to fulfil all its obligations as a member.

(v) The Board may appoint a manager or some other person as receiver for the purpose of enabling any member to clear all outstanding contracts entered into with non-members and with other members.

TERMINATION OF MEMBERSHIP

15. (i) Any member wishing to resign from the Stock Exchange shall inform the Board by giving not less than thirty days notice in writing and the resignation shall take effect at the end of such period of notice. A member who ceases to be a member for any cause shall have no claim on the assets of the Stock Exchange provided that the Stock Exchange has discharged any lawful claim the resigned member may have upon it.

(ii) On the sale or transfer of the business interests of a member for any cause whatsoever (including its resignation or cancellation of registration) no payment from the proceeds of the sale or transfer shall be made to that member until all legitimate claims by the Stock Exchange and all duly notified and established claims by any other member against that member have been duly satisfied.

(iii) If the Board has reasonable grounds to believe that the Stock Exchange and any of its members have such legitimate claims it may require the resigned or expelled member or its administrators to satisfy such claims as follows:

- (a) In the first place payment of any amount due to the Stock Exchange on any subscription, levy, call, fine, or any liability arising from the expenses of the manager or receiver appointed by the Board;
- (b) In the second place payment to any member which at the time may be a creditor of the resigned or expelled member. If the proceeds are insufficient to pay all such claims in full, such claims shall be paid on a *pro rata* basis by the Board;
- (c) The balance if any shall be paid to the member who has resigned or been expelled or to the administrators as the case may be.

DISCLOSURE OF INFORMATION TO THE BOARD BY MEMBER COMPANIES

16. The Board is empowered to require any member company and the employees of any member company to give promptly such information relating to any matter under investigation as the Board may require, either in writing or at a meeting called for the purpose, and if required, to produce for inspection all books of accounts, telegrams, letters or other documents relating to the matter under investigation. The Board may delegate its powers under this Article to a qualified accountant and or its legal advisers as the case may be, and they shall make their report to the Board.

COMPENSATION FUND

17. The Stock Exchange shall within five years of its incorporation establish and administer a Compensation Fund for the protection of individual clients who may suffer loss as a result of the default of a member company in settlement of its bargains.

RULES AND ALTERATIONS TO RULES

18. The Board shall before promulgating new Rules or altering or rescinding the Rules give a written notice of at least fourteen days to member companies and shall ensure that opportunity is given to all member companies to make representation on the issue, if they so wish. New Rules or alteration thereof shall be passed by a simple majority of the Board.

SUBSCRIPTIONS AND LEVIES

19. The Board may from time to time require member companies and registered stockbrokers to pay such monthly or other subscriptions, levies or fees as it may consider necessary. Any member company who omits to pay any such subscription, levies or fees within one calendar month shall be sent a further written demand for the payment and if the amount due is not paid within a further calendar month the Board may cancel the member company's registration or take such other disciplinary action within its powers as it thinks fit. The Board may from time to time initiate, alter or terminate such subscriptions, levies or fees.

APPOINTMENT OF SOLICITORS

20. The Board may appoint any advocate and solicitor or firm of advocates and solicitors as the Solicitors to the Stock Exchange, and shall pay such remuneration for work and services so rendered as the Board may think fit.

ACCOUNTS AND AUDIT

21. Accounts prepared and audited in accordance with the Act shall be presented to the Annual General Meeting of the Stock Exchange.

THE AUDITOR

22. (i) Members shall at every annual general meeting elect an auditor to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. A retiring auditor shall be eligible for re-election and no person other than the retiring auditor shall be elected unless notice in writing of the name of the person proposed for election as auditor has been given by the Board to—

- (a) every member of the Stock Exchange;
- (b) every director;
- (c) the retiring auditor;

not less than twenty-one days before the annual general meeting concerned. Upon the death of, or vacation of office by an elected auditor the Board may appoint an auditor to hold office until the next annual general meeting.

(ii) the Auditor shall make a report to the Board of the records kept and documents prepared in accordance with the Act and shall state whether or not those documents give a true and fair view of its financial affairs. The auditor shall be entitled—

- (a) at all reasonable times to require the production of records and any other information from the Stock Exchange or any member, employee or agent as he may consider necessary for the purposes of audit;
- (b) to attend any general meeting;
- (c) to be heard at any meeting on any part of the business which concerns him in his capacity as auditor.

GENERAL MEETINGS

23. (i) The Stock Exchange shall in April of each year hold an annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in its notices; and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

(ii) The first general meeting shall be held within fifteen months of the incorporation of the Stock Exchange. The annual general meeting will be held in Port-of-Spain at such time and place as the Board shall appoint.

(iii) All general meetings other than annual general meetings shall be called extraordinary general meetings.

(iv) The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings may also be convened in accordance with section 112 of the Companies Ordinance in so far as it is applicable.

Ch. 31. No. 1.
(1950 Ed.).

(v) If at any time there are not within Trinidad and Tobago sufficient directors capable of acting to form a quorum, any director or any two registered stockbrokers representing any two members of the Stock Exchange may convene an extraordinary general meeting in the same manner as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

24. (i) An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days notice in writing being given, and any meeting other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen clear days notice in writing being given. The notice shall specify the place, day and hour of the meeting, and in case of special business the general nature of that business shall be given, in the manner hereinafter mentioned or in such other manner if any, as may be prescribed by the Stock Exchange in general meeting, to such persons as are entitled to receive such notices. Provided that a meeting of the Stock Exchange shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed—

- (a) in the case of a meeting called as the annual general meeting, by all persons entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the persons having a right to attend and vote at the meeting, being a majority together representing not less than eighty per cent of the total voting rights at that meeting of all the members.

(ii) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

25. (i) All business shall be deemed special that is transacted at an extraordinary general meeting, and also that which is transacted at an annual general meeting, with the exception of consideration of the accounts, balance sheets, and the report of the directors and auditors, the election of directors in the place of those retiring and the appointment of and the fixing of the remuneration of the auditors.

(ii) No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business; save as herein otherwise provided, five members present shall be a quorum.

(iii) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

(iv) The Chairman or in his absence the Deputy Chairman shall preside as Chairman at every general meeting, or if he or both as the case may be should not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be Chairman of the meeting. If at any such meeting no director is willing to act as Chairman or if no director is present within fifteen minutes of the time appointed for holding the meeting, the members shall choose one registered stockbroker of their number to be Chairman of the meeting.

(v) The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(vi) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of a show of hands) demanded—

- (a) by the Chairman; or
- (b) by at least three members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-third of the total voting rights of all the members having the right to vote at the meeting.

(vii) Unless a poll be demanded as is provided in paragraph (vi) above a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Stock Exchange shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded, provided that a poll for the election of Board Members shall be in accordance with these Articles.

(viii) In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting shall be entitled to a second or casting vote.

(ix) A poll demanded on any question other than the election of directors shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll, provided that a poll on a question of adjournment is taken forthwith.

VOTES OF MEMBERS

26. (i) A member company shall have a vote or votes according to the number of stockbrokers who are directors of that member company and only such stockbroker or stockbrokers shall exercise such votes.

(ii) No member company shall be entitled to vote at any general meeting unless all moneys presently payable by it to the Stock Exchange have been paid.

(iii) On a poll votes may be given either personally or by proxy, and the instrument of proxy shall be in such form as the Board shall prescribe in its Rules.

(iv) The instrument appointing a proxy shall be under the hand of the appointer or of his attorney duly authorised in writing.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited in the Stock Exchange not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

NOTICES

27. A notice may be given by the Stock Exchange to any member company by posting the notice to the member company's registered address.

ELIGIBILITY TO RECEIVE NOTICE OF MEETINGS

28. Notice of every general meeting shall be given to:

- (i) every director of a member company;
- (ii) every director of the Stock Exchange;
- (iii) the Stock Exchange auditor for the time being.

No other person shall be entitled to receive notices of general meetings

ALTERATION OF ARTICLES

29. These Articles may not be repealed or amended without the authorisation of the Minister and any proposal for such repeal or amendment shall be supported by a vote of not less than two-thirds of members entitled to vote in person or by proxy at a general meeting especially called for that purpose.

MANAGEMENT OF THE STOCK EXCHANGE

30. (i) The Board shall appoint a General Manager.

(ii) The day to day affairs of the Stock Exchange shall be managed in accordance with the Act and with these Articles by the General Manager. The General Manager shall be responsible to the Board, but the Board shall have power to delegate to the Chairman and the Deputy Chairman to receive reports from and give orders to the General Manager in respect of its day to day affairs.

(iii) The Board is empowered to employ and dismiss employees of the Stock Exchange as it may consider necessary, to determine the salaries and pay the expenses of the Stock Exchange and generally to do all things necessary for its efficient running.

(iv) The Board may at any time delegate to the General Manager its powers relating to the appointment of his subordinates and payment of ordinary expenses, and to his normal duties of day to day management of the Stock Exchange and its securities business.

APPOINTMENT OF SECRETARY

31. (i) The Board shall appoint a Secretary for such term at such remuneration and upon such conditions as it thinks fit, and the Board shall have the power to remove the Secretary.

(ii) The Secretary shall perform such duties and carry out such functions as are delegated to him by the Board.

WINDING-UP OF THE STOCK EXCHANGE

32. In the event of the Stock Exchange being wound-up clauses 5 and 6 of the Memorandum of Association shall apply, subject to the following limitations of liability:

- (i) A former member company shall not be liable to contribute if its registration was cancelled for more than one year before the date of winding-up;
- (ii) A former member company shall not be liable to contribute in respect of any debt or liability incurred after it ceased to be a member company;
- (iii) A former member company shall not be liable to contribute unless it appears that the former member company had prior knowledge that steps were being taken or initiated to wind-up the Stock Exchange;
- (iv) notwithstanding the provisions of Article 6 of the Memorandum, the limit prescribed by that Article may be increased by a special resolution passed at a general meeting convened in accordance with these Articles.

SECOND SCHEDULE

(Section 8)

INITIAL MEMBERS OF STOCK EXCHANGE

<i>Name</i>	<i>Registered Address</i>
Clouden and Clouden Investments Limited ...	112, Duke Street, Port-of-Spain
General Stockbrokers Limited	14, Pembroke Street, Port-of-Spain
Money Managers Limited	18, Henry Street, Port-of-Spain
Reliance Stockbrokers Limited	10, St. Vincent Street, Port-of-Spain
Securities and Investment Brokers Limited ...	7, Keate Street, San Fernando
Southern Stockbrokers Limited	9A, Lord Street, San Fernando
Trinidad and Tobago Stocks and Shares Limited	17, Chacon Street, Port-of-Spain
West Indies Stockbrokers Limited ...	23A, Chacon Street, Port-of-Spain

THIRD SCHEDULE

(Section 15)

INITIAL REGISTERED STOCKBROKERS

- Mr. Neville Acham
- Mr. Ameer Edoe
- Mr. Patrick Kangaloo
- Mr. Winston Padmore
- Mr. Assad Sabga
- Mrs. Myrnelle Smith

FOURTH SCHEDULE

(Section 38)

FORM I

LISTING AGREEMENT

(Companies)

Listing Agreement entered into between.....

.....
(Name of Company)

whose registered office is at.....

.....

Ch. 83:02.

and the Trinidad and Tobago Stock Exchange, incorporated under the Securities Industry Act.

In consideration of its securities being admitted for listing on the Stock Exchange in accordance with the provisions of the Securities Industry Act, the.....

.....

(Name of Company)

hereby binds itself and its Board of Directors as follows:

1. To notify the Board of the Stock Exchange immediately after the relevant board meeting has been held of:

- (a) Any preliminary profits announcements for any year, half-year or other period;
- (b) All dividends and other distributions to members recommended or declared or resolved to be paid and of any decision to pass any dividend or interest payment;
- (c) Short particulars of any proposed change in the capital structure, or redemption of securities.

2. To notify to the press the basis of allotment of securities in prospectus and other offers and, if applicable, in respect of excess applications, such notice to appear not later than the morning of the business day next after the allotment letters or other relevant documents of title are posted.

3. To notify the Board of the Stock Exchange without delay of:

- (a) Particulars of any material acquisitions or realisations of assets;
- (b) Any information required to be disclosed to the Stock Exchange under the provisions of The Code on Take-overs and Mergers;
- (c) Any changes in the directorate;
- (d) Any proposed change in the general character or nature of the business of the company or of the group;
- (e) Any information required to be notified to the company under Part VIII of the Securities Industry Act;
- (f) Any other information necessary to enable the shareholders and the public to appraise the position of the company and to avoid the establishment of a false market in its securities.

4. To send with the notice convening a meeting of holders of securities to all persons entitled to vote thereat proxy forms with provision for two-way voting on all resolutions intended to be proposed.

5. To forward to the Board of the Stock Exchange copies of:

- (a) All circulars, notices, reports, announcements or other documents to holders of securities, either in advance of their publication or at the same time as they are issued;
- (b) All resolutions passed by the company other than resolutions concerning routine business at an annual general meeting.

6. To notify the Board of the Stock Exchange of an explanation for the delay in any case where no annual report and accounts have been issued by the company within four months following the date of the end of the financial period to which they relate, at the same time indicating when it is expected that such report and accounts will be published.

7. To prepare a half-yearly or interim report which must be sent to the holders of securities or inserted as paid advertisements in two leading daily newspapers not later than six months from the date of the notice convening the annual general meeting of the company.

8. To circulate with the annual report of the directors:

- (a) A statement by the directors as to the reasons for adopting an alternative basis of accounting in any case where the auditors have stated that the accounts are not drawn up in accordance with the standard accounting practices approved by the Institute of Chartered Accountants of Trinidad and Tobago;
- (b) An aggregated analysis of turnover and of contribution to trading results of those trading operations carried on by the company (or group) outside Trinidad and Tobago;
- (c) The name of the principal country in which each subsidiary operates;
- (d) The following particulars regarding each company in which the group interest in the equity capital amounts to 20 per cent or more:
 - (i) The principal country of operation;
 - (ii) Particulars of its issued share and loan capital and except where the group's interest therein is dealt with in the consolidated balance sheet as an associated company, the total amount of its reserves;
 - (iii) The percentage of each class of loan capital attributable to the company's interest (direct or indirect);
- (e) In the case of a company carrying on more than one class of business a broad analysis of turnover and contribution to trading results of each major class of business;
- (f) A statement as at the end of the financial year showing the interests of each director in the share capital of the company appearing in the register maintained under the provisions of section 64 of the Securities Industry Act, distinguishing

between beneficial and non-beneficial interests; such statement should include by way of note any change in those interests occurring between the end of the financial year and a date not more than one month prior to the date of the notice of meeting, or, if there has been no such change, disclosure of that fact;

- (g) A statement showing particulars as at a date not more than one month prior to the date of the notice of meeting of an interest of any person, other than a director, in any substantial part of the share capital of the company and the amount of the interest in question or, where appropriate, a negative statement;
- (h) In the case of an investment trust a statement showing the status of the company under relevant legislation and of any change in that status since the end of the financial year;
- (i) Particulars of any contract subsisting during or at the end of the financial year in which a director of the company is or was materially interested and which is or was significant in relation to the company's business;
- (j) Particulars of any arrangement under which a director has waived or agreed to waive any emoluments;
- (k) Particulars of any arrangements under which a shareholder has waived or agreed to waive any dividends.

9. (a) To procure that any service contract granted by the company, or any subsidiary of the company, to any director or proposed director of the company not expiring or determinable within ten years by the employing company without payment of compensation (other than statutory compensation) must be made subject to the approval of the company in general meeting.

(b) To make available for inspection at the registered office or transfer office during usual business hours on any week-day (Saturdays, Sundays and public holidays excluded) from the date of the notice convening the annual general meeting until the date of the meeting and to make available for inspection at the place of meeting for at least 15 minutes prior to the meeting and at the meeting. A memorandum of all service contracts unless expiring or determinable within one year by the employing company without payment of compensation, of any director of the company with the company or any of its subsidiaries; such statements shall not include remuneration paid to Directors.

(c) To state in a note to the notice convening the annual general meeting that copies or, as the case may be, memoranda of all such service contracts will be available for inspection or, if there are no such contracts, to state that fact.

10. To certify transfers against certificates or temporary documents and to return them not later than the third business day following their receipt and to split and return renounceable documents within the same period.

11. To register transfers and other documents without payment of any fee.

12. To issue, without change, certificates within—

- (a) 30 days of the date of expiration of any right of renunciation;
- (b) 30 days of the lodgement of transfers.

13. To arrange for designated accounts if requested by holders of securities.

14. In the absence of circumstances which have been agreed by the Board of the Stock Exchange to be exceptional to obtain the consent of the company in general meeting prior to issuing:

- (a) Equity capital or capital having an equity element;
- (b) Securities convertible into equity capital; or
- (c) Options to subscribe for equity capital;

otherwise than to the equity shareholders of the company and where appropriate, holders of other equity securities of the company entitled thereto.

15. In the event of a circular being issued to the holders of any particular class of security, to issue a copy or summary of such circular to the holders of all other listed securities unless the contents of such circular are irrelevant to such other holders.

Signed this day of , 198 .

.....
On behalf of the Trinidad and Tobago Stock Exchange

.....
On behalf of the

(Name of company)

FORM II

LISTING AGREEMENT

(Corporation other than Companies)

Listing Agreement entered into between.....

.....
(Name of Corporation)

of
and the Trinidad and Tobago Stock Exchange, incorporated under the Securities Industry Act.

In consideration of its securities being admitted for listing on the Stock Exchange in accordance with the provisions of the Securities Industry Act, the.....

.....
(Name of Corporation)

hereby binds itself and its Board as follows:

- 1. To certify transfers against definitive certificates or temporary documents and to return them by the third business day following their receipt and to split and return allotment letters within the same period.
- 2. In the case of a registered security without charge to issue the definitive certificates within thirty days of the date of the lodgement of a transfer and within such period to issue balance certificates if required.
- 3. To advise the Board of the Stock Exchange, prior to the due date—
 - (a) Of all proposed payments of interest or the decision to pass any interest payment;
 - (b) In the case of a registered security of the date of the closing of the books or the striking of the balance for the payment of interest.
- 4. To advise the Board of the Stock Exchange prior to the date—
 - (a) Of all proposed drawings;
 - (b) In the case of a registered security of the date on which it is proposed to close the books for the purpose of making the drawing.
- 5. To advise the Board of the Stock Exchange without delay of the amount of the security outstanding after any purchase or drawing has been made.
- 6. To forward to the Board of the Stock Exchange six copies of all other announcements made in respect of the security.

Signed this day of , 198 .

.....
*On behalf of the
Stock Exchange*

.....
On behalf of the

.....
(Name of Corporation)