

business



TTFTC to seek info from TTSEC on proposed fee hike

The executive director of T&T's Fair Trading Commission (TTFTC), Bevan Narinesingh, said yesterday that the country's competition regulator intends to write to regulator of the domestic securities industry, the Trinidad and Tobago Securities Exchange Commission (TTSEC), seeking information on its proposal to raise the fees paid by reporting issuers, broker dealers, investment advisers, underwriters and self-regulatory organisations, such as the T&T's stock exchange and its central depository.

The TTSEC signalled, in a letter to the industry posted on December 17, 2024, that it is seeking to increase the fees paid by market participants, in many cases tripling the amount.

Under the TTSEC's proposal, the fee paid by a reporting issuer would increase from \$8,000 a year, to \$24,800 in the first two years, \$25,600 in years three to six and \$30,000 in year seven. According to the TTSEC website, there are 97 reporting issuers in the country. In 2024, those 97 reporting issuers would have paid \$776,000 in fees to the TTSEC. If the fee increase proposal is approved, those reporting issuers would pay \$4.8 million over the next two years.

The TTSEC also proposes to introduce new fees for compliance reviews, examination of market actors and the cost associated with an investigation. Under the proposed fee increase, a director's fee for an investigation would be \$566 an hour, a senior financial research officer would cost \$472 an hour and the cost of a financial research officer would be \$327 an hour.

Narinesingh said the TTFTC was alerted to the TTSEC's proposed fee increases by the commentary of the Guard-



Executive director of the Fair Trading Commission, Bevan Narinesingh

ian's consultant business editor, Anthony Wilson, in yesterday's Business Guardian headlined 'Is the TTSEC abusing its monopoly power?' Wilson also wrote a column headlined 'Are TTSEC's proposed fee hikes justified?' in the Business Guardian of January 9.

Narinesingh said the FTC is in the process of conducting its own research on the proposed fee increases.

He said it is giving consideration to participating in the TTSEC's consultation process by submitting a comment on the issue before the January 24 deadline.

"We are closely examining the operations of the TTSEC to determine if it is an 'enterprise' for the purposes of the Fair Trading Act. This is what we need to do first and foremost as part of our enforcement work," said Narinesingh.

He said it would be premature for TTFTC to make any abuse-of-monopoly

determination before establishing that the TTSEC is an 'enterprise' for the purposes of the Fair Trading Act. The Act defines enterprise as an individual, partnership or body (corporator incorporate) engaged in business.

"We must also then examine the proposed fee structure, the justification for the proposed increases and the background research, all of which we will seek clarification on in our communication with the TTSEC and which will then guide the comments we will submit as part of the consultation process," said Narinesingh.

In its overview of the fee-increase proposal, the TTSEC states, "This fee revision exercise represents a culmination of work in which the Trinidad and Tobago Securities and Exchange Commission evaluated the impact of the proposed fees on both its operational objectives and on market actors and registrants whom we regulate.

"The primary objective of this exercise is to allow the Commission to recover the costs associated with regulatory oversight and enhance its ability to effectively meet its regulatory mandate without overburdening market actors and registrants."

In attempting to justify the fee increases, the TTSEC presents a table comparing the fees charged by 13 regulators around the world with those charged by the TTSEC.

"With the exception of Singapore (18 per cent), all the other jurisdictions were able to cover between 70 per cent and 100 per cent of their respective operating budgets," while the TTSEC's fees cover about 15 per cent of its operating expenses.