

Newsletter

Thank you from the CEO



Dear Stakeholders, Members and Friends,
The feedback received from the first publication of the Institute of Banking and Finance of Trinidad and Tobago's (IBF) newsletter issued in February 2014 was positive and refreshing. Indeed, we were elated that the objective of publishing a user-friendly and informative newsletter was accomplished and as such, we say a special "Thank you!"

Our general objective is to examine and discuss topics that are intuitive, timely and essential to the promotion of a sound and stable financial system, particularly at a time of rapid information and technological advancement. We strongly believe that encouraging the implementation of legislation that is appropriate to this local environment is of the utmost importance.

IBF intends to continually increase its visibility, and to foster greater public awareness in the financial arena. We see our role as important and relevant to the provision of educational support to the financial services industry. Our mandate is to be "the preferred learning institution for financial professionals" and this must be satisfied through our programmes, workshops and seminars on industry specific topics. One of our flagship workshops is our two day Enterprise Risk Management Workshop which is being

held at the Hyatt Regency, Trinidad on Tuesday July 1st and Wednesday July 2nd, 2014. Our distinguished Minister of Finance and the Economy, Senator the Honourable Larry Howai, will open the Workshop. IBF is taking the initiative in hosting such an event so that employers can educate their staff on proper risk management procedures, which not only mitigates any future risk, but also creates value and encourages professional ethical practices for all shareholders, customers, regulatory agencies and employees associated with their company.

We would like to inform you that a host of other programmes are available through IBF. Our calendar of events which details this information can be accessed on our website: www.ibf.org.tt. IBF has also created an attractive promotional flyer which is distributed monthly to all stakeholders. We encourage our readers to post blogs on our Facebook page "ibf.trinidad" as we value your feedback.

We have planned each quarter to issue exciting topics of interest and are pleased to report that for our next edition, our authors will share with you an important subject matter - "Foreign Accounts Tax Compliance Act" (FATCA). So, Stay Tuned.

Ms. Paula Baldwin, Chief Executive Officer

'Material Change' and Disclosure Obligations

In furtherance of the Trinidad and Tobago Securities and Exchange Commission's (the "Commission") goal to foster investor confidence, transparency and adequate access to information within the Capital Markets, market participants are mandated to disclose "material changes" within a prescribed timeframe. Failure to do so, can attract significant fines and enforcement actions.

What is a Material Change?

Section 4 of the Securities Act, 2012 ("SA, 2012") defines a material change as: " a change in the business, operations, assets, ownership or affairs of an issuer, the disclosure of which would be considered important to a reasonable investor in making an investment decision and includes a decision to implement such a change made by the board of directors of an issuer". Simply put, a material change is any change that will affect the investment decision of a reasonable investor. It is important to note that this definition applies to all reporting issuers, including collective investment schemes.

Change in the basis for determining materiality

This definition has changed from that which was contained in the predecessor to the SA, 2012. Under the Securities Industry Act, 1995 ("SIA, 95"), a material change was defined as: "... a change in the business, operations, assets or ownership of an issuer that would reasonably be expected to have a significant effect on the market price or value of the securities of the issuer ..."

When comparing the definition of a material change under the SIA, 95 and the SA, 2012, it is clear that the basis for determining materiality has changed. The SIA, 95 relied on a significant effect on the market price or value of the securities while the SA, 2012 relies on the effect on the investment decision of a reasonable investor. The definition of material change in the SA, 2012 acknowledges that while some changes to the business, operations, assets, ownership or affairs of a reporting issuer may not result in a change of its securities' price, this does not negate the fact that such information may affect an investor's decision. Since the threshold of what constitutes materiality is decidedly lower under the SA 2012, the standard now depends on the specific set of facts involving the company.

Examples of Material Information may include;

- 1) changes in corporate structure such as changes to the board of directors or share ownership affecting control of the company;
- 2) changes in capital structure such as dividend payments or planned repurchases or redemptions of securities;
- 3) unexpected changes in the financial results for any period;
- 4) changes in business and operations such as a significant change in capital investment plans or any development that affects the company's resources, technology, products or markets;
- 5) acquisitions/disposal of assets or acquisitions of other companies; and
- 6) changes in credit arrangements such as the encumbering of the company's assets, defaults under debt obligations or agreements to restructure debt.

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Our Team

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 Research and Business Development Officer – Ms. Camille Applewhaite
 Quality Assurance & Curriculum Development Officer – Ms. Marsha John
 Administrative Officer – Mrs. Cheryl Horsham
 Accounts Officer – Mr. Anton Simon
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Our Authors



Barrie R. N. Attzs,
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Barrie Attzs, a graduate of the Institute of Banking and Finance's Cert. FA programme in 2012, is an Attorney-at-Law at J.D. Sellier + Co. Barrie represents his banking and financial service clients in the areas of tax, corporate and commercial law and litigation. Barrie began his career at a large "Seven Sisters" international business law firm in Canada, where he focused on corporate and commercial litigation (inclusive of securities litigation). More recently, Barrie has held the position of Senior Tax Consultant at a big four international professional services firm in T&T and, thereafter, has held the position of Group Tax Manager at one of the largest regional conglomerates in the Caribbean. In these roles Barrie has provided tax planning and compliance advice and representation to a number of leading companies in various sectors including financial services, manufacturing, media, automotive and construction.



Candice Huggins,
Chief Compliance Officer, CIBC
First Caribbean International
Bank

Ms. Candice Huggins is currently employed with a global banking and financial services company headquartered in Toronto. Ms. Huggins had been employed at the Securities and Exchange Commission since February 2013, in the positions of Director, Legal Advisory and Enforcement/Corporate Secretary and General Counsel. Ms. Huggins is an Attorney-at-Law with specialisation in international financial services, compliance and risk management. She has been called to the Bar of Trinidad and Tobago, the British Virgin Islands and the Cayman Islands. Ms. Huggins has advised extensively on aspects of regulatory and international law, litigated in the area of white-collar crime as well as developed and implemented risk and compliance programmes. She is also GARP (Global Association of Risk professionals) accredited and currently serves as the Deputy Director of the Caribbean Chapter of GARP.

In the Next Issue:

**"Foreign Account Tax Compliance Act"
(FATCA)
August 2014**

'Material Change' and Disclosure Obligations - Continued

Material Change Disclosure Requirements

Section 64(1) of the SA, 2012 states that where a material change occurs, a reporting issuer shall:

- (a) within three days of the occurrence of the change, file a report with the Commission containing the nature and substance of the change;
- (b) within seven days of the occurrence of the change, publish a notice which discloses the nature and substance of the change in two daily newspapers of general circulation in Trinidad and Tobago; and
- (c) within seven days of the occurrence of the change, file with the Commission a copy of the notice published in accordance with the above.

For the purposes of Section 64(1) (b) and (c), the Commission has indicated that it considers that a "Notice" is any informational material which is published at the request of the reporting issuer in the exact form as drafted and issued for publication by the reporting issuer and must be authorised by a senior officer of the reporting issuer. The Commission has also indicated that where a "media release" or an excerpt of a presentation/ interview by a reporter, journalist or other media personnel relating to a material change is published, the disclosure requirement of section 64 would not be considered to be fulfilled.

Exemption from Material Change Disclosure

There is an exception to the above mentioned disclosure obligations. Specifically, subject to the Commission's approval, a reporting issuer may not be required to comply with the disclosure requirements of Section 64(1). Furthermore,

section 64(2) provides that a reporting issuer may not publish a notice regarding the material change if, within three days of the occurrence of the change, it advises the Commission of the material change and its reasons for the non-publication of the notice.

It should be noted that an exemption under Section 64 (2) will only be considered where the reporting issuer is of the opinion that:

- (a) the disclosure required under Section 64(1) will be unduly detrimental to its interests; or
- (b) the disclosure required under Section 64(1) will be unwarranted.

Administrative Fine

The SA, 2012 allows the Commission to impose an administrative fine for the failure to file or publish a document as required under the Act. Section 156 (2) provides for a fine of one thousand dollars per day for each day that the document remains outstanding after the expiration of the time prescribed (i.e. seven days after the occurrence of the change).

Conclusion: Take the Proactive Approach

Given that, on the one hand, the determination of a material change includes a degree of subjectivity, but, on the other hand, can attract significant fines and enforcement actions if not disclosed, we recommend a proactive approach towards the assessment of material changes. Accordingly, where a reporting issuer is uncertain whether a change is in fact material, or in circumstances where it believes that Section 64(2) of the Act is applicable, we strongly recommend that it should write to the Commission and solicit its guidance.

The Banking Profession - A Myth?

Oxford Dictionary defines a profession as "A paid occupation, especially one that involves prolonged training and a formal qualification". While the investment banking industry requires that financial analysts obtain qualifications in order to work in their respective fields (e.g. FINRA Series 7 and 63 for traders and sales people in capital markets in the US) there is no real prolonged training or formal qualifications that constitute what would be called a profession.

John Gapper of the Financial Times in his article "There is no such thing as the banking profession" talks about the lack of a professional culture and camaraderie among employees in the banking industry as one of the reasons for the notion that there cannot be a banking profession. Over the years and especially during the sub-prime mortgage crisis, many investment banks (JP Morgan Chase, Deutsche Bank, and Barclays) merged with others, as well as retail banks and in the process, their traditional organizational culture and identity were lost.

In addition to mergers which resulted in the declining culture, the use of technology, including algorithms, e-trading platforms and online banking services in both the retail and investment banking industry, replaced many jobs. There was subsequently reduced face to face customer contact

and a decline in the demand for individuals to provide these services. In effect, these technological advancements, made the need for what was seen as the traditional and experienced banker to be something of the past.

Sir Richard Lambert is working to create a body for the UK Banking Standards Review, which will promote professional standards of competence and good conduct among individuals in the UK banking industry. He has achieved buy-in from Britain's key players in the banking industry and theorizes that if this venture were to be successful, it would re-establish public trust.

Gapper disagrees with Sir Richard Lambert and believes that the banks themselves, and not individuals, will have to strengthen their resolve in creating this type of a culture with the use of strong leadership and managers who can be instrumental in implementing this cultural shift.

The banking profession – Fact or Fiction?

Gapper, John (February 12, 2014). "There is no such thing as the banking profession". Financial Times

Lambert, Sir Richard (2014, February). Consultation Paper. Retrieved from <http://www.bankingstandardsreview.org.uk/consultation-paper/>

Ms. Marsha John - Quality Assurance/Curriculum Development Officer

TRIBUTES- Out Going & Incoming Presidents



MRS. ANDREA TAYLOR-HANNA

Mrs. Taylor-Hanna who is a banking professional with over 35 years of service, served as the President of IBF from April 2012 to December 2013. During her tenure as President of IBF, Mrs. Taylor-Hanna provided strong leadership, guidance and support and was singled out for her ingenuity in taking IBF to another level.

In her capacity as President she recognized that due to the increasing complexity of modern investment markets, international legislation now demands that firms must be able to demonstrate to the regulators that their staff is fully competent to execute the functions with which they are entrusted. Mrs. Taylor-Hanna noted that there was no such mechanism in Trinidad and Tobago and acknowledged that the training and oversight that IBF offered to the local industry was not on par with its counterparts in the rest of the world. Armed with this revelation, she set about to reposition IBF to function at a level, consistent with its mandate in order to remain relevant and to promote high standards of knowledge, skills and conduct, to meet the education skill level and develop professional standards for the banking and financial industry. Mrs. Taylor-Hanna approached this project with zeal and vigor and remarkable strides and progress were made. IBF is now positioned to continue this development which will prove beneficial for the banking industry of Trinidad and Tobago in the near future.

IBF salutes Mrs. Taylor-Hanna for her excellence and will confer the honor of IBF's Fellowship Award to her at our Graduation Ceremony on June 28th, 2014 at the Hyatt Regency Trinidad.



MRS. JOEL-ANN COOK-WALCOTT

Mrs. Joel-Ann Cook-Walcott was appointed as President of IBF at the 27th Annual General Meeting held on April 9th 2014. Mrs. Cook-Walcott served as a member of IBF's Council since 2012 and has always exhibited strong leadership skills and a clear vision for the advancement of IBF.

With her background in talent and change management, Mrs. Cook-Walcott possesses the acumen and foresight that is necessary to propel IBF forward. IBF is extremely honored to have such an individual at the helm.

On behalf of council and staff of IBF we welcome our new President, Mrs. Joel-Ann Cook-Walcott, and we are looking forward to another rewarding and productive year.



27th Annual General Meeting Highlights

IBF held its 27th Annual General Meeting on April 9th, 2014, at the RBC Hospitality Suite, Queens Park Oval, St Clair. We were pleased to have the presence of the President of the Bankers Association of Trinidad and Tobago (BATT), Mr. Larry Nath, who delivered the welcome remarks. The proceedings of the meeting were conducted according to the terms and conditions which are customary and the 2014 / 2015 Board of Directors and alternates of IBF were approved and installed.

It is therefore with great pleasure that we provide the names of the Council members and their alternates from the seven (7) commercial banks, the University of the West Indies and the Central Bank of Trinidad and Tobago as follows:-

COUNCIL MEMBERS

- Mrs. Joel-Ann Cook-Walcott, First Citizens
- Mr. Aleem Cassim, Intercommercial Bank Limited
- Ms. Karen Yip Chuck, Republic Bank Limited
- Mr. Josef Baptiste, Citibank
- Ms. Allyson Maingot, Scotiabank
- Ms. Sharon Maharaj, RBC Royal Bank T & T Ltd
- Ms. Nicole Crooks, Central Bank of T & T
- Ms. Kiba Aguilera, CIBC First Caribbean International Bank (T&T) Ltd.
- Dr. Dorian Noel, University of the West Indies

ALTERNATES

- Mrs. Nola Drayton-Smith, First Citizens
- Ms. Devati Mooleedhar, Intercommercial Bank Limited
- Mr. Hilton Hyland, Republic Bank Limited
- Ms. Terese Kendall, Citibank
- Ms. Marcia Gaudet, Scotiabank
- Ms. Stephanie Harewood, RBC Royal Bank T & T Ltd
- Ms. Charlene Ramdhanie, Central Bank of T & T
- Ms. Kiba Aguilera, CIBC First Caribbean International Bank (T&T) Ltd.
- Ms. Marlene Murray, University of the West Indies

Calendar of Events/ Upcoming Workshops May to July 2014

- AML/Compliance Training – 1 Day Workshop
- Enterprise Risk Management- 2 Day Workshop
- Customer Service Re-tooling – 1 Day Workshop
- Marketing / Presentation Skills – 1 Day Workshop
- Protocol & Professional Imaging – 1 Day Workshop
- Credit Analysis & Proposal Writing – 2 Day Workshop
- Fraud Awareness and Cyber Crime – 1 Day Workshop
- Financial Planning for Young Professionals – 1 Day Workshop
- Golden Years: Planning for a Successful Retirement – 2 Day Workshop

Students' Corner

CERTIFICATE FOR FINANCIAL ADVISORS

Exam Date: Saturday August 9th 2014

Exam Date: Saturday December 6th 2014

DIPLOMA IN BANKING PROGRAMME

Exam Date: 3rd November – 7th November 2014

Registration Deadline: September 22nd 2014

Coming soon...

*An Examinable Module in Ethics
An Apprenticeship Programme
An Internship Programme*

Enterprise Risk Management – Two (2) Day Training Workshop July 1-2, 2014, Hyatt Regency Trinidad



Participants will gain an advanced knowledge and critical understanding of the principles and practices of modern international Enterprise Risk Management. They will explore, recognize and appreciate the complexity inherent in managerial decisions relevant to risk within business portfolios.

This workshop will focus on the following features:

- * Improving Corporate Risk Management and enhancing Corporate Governance as well as strengthening transparency and disclosures (utilizing the COSO guidelines for EWRM)
- * The Basel Committee's Comprehensive Reform Package-Liquidity and Balance Sheet
- * Credit Risk and Operational Risk – key issues
- * Latest thinking and the IBC (Vickers) Review from the UK.

Our facilitator, Mr. Keith Checkley is a finance business consultant who has extensive experience in Risk Management. He was employed with Barclays Bank and assumed a senior role on the bank's Credit and Risk Management team. He was responsible for sector risk analysis, bank exposure monitoring and corporate restructuring among other things. Keith has gained international exposure in the implementation of training programs for many banks, financial institutions and large corporations in the UK, North America, Africa, the Caribbean, Europe and the Far East including Malaysia, Singapore, Hong Kong and China.

He is a Fellow at the Manchester Business School and the Chartered Institute of Bankers where he is a member of their National Speakers Panel. Over the years he has written twelve (12) books on business topics. Some of the titles of his work include: 'Finance for Business', 'Cash is King – A Strategic Guide to Cash Management', 'Advanced Credit Analysis' and 'Problem Loans'. His book on 'Business Lending' was published by Financial World Publishing in 2001 and is the recommended study text for the Institute of Bankers Lending Examination as part of the ACIB qualification.

Customer Service Re-Tooling – 2 Day Workshop



Target Audience: Front line and Back Office Professionals, and Supervisory Staff

Facilitated by Ms. Pamela R. Williams, an HRD Consultant with over 25 years experience, this workshop looks at a customer service encounter from the point of view of what "Customer Service Excellence" is all about. Participants will learn how their roles, attitudes, interactions and responsiveness, ultimately shape their

customers understanding of the Service Culture of their organizations. This program focuses on identifying and modeling "Customer Service Excellence from a "best practice" standpoint.

BENEFITS

Participants will benefit from:

- Being provided with the insights, skills, and confidence to improve customer service delivery.
- Understanding their customers' expectations.
- Winning the hearts and engaging the mind of their customers.
- Better management of stressful situations for both employees and clients.

TOPICS

Topics that will be covered in this workshop include but are not limited to the following and can be tailored based on the needs of the respective organisation:

- Understanding your role in achieving Customer Service Excellence.
- Customer Service Excellence starts with "ME" the "Internal Customer".
- Developing confidence and assertiveness when providing service excellence.
- Communicating appropriately to emotional and angry customers/ stakeholders.
- Handling challenging customers/stakeholders in difficult situations.
- Providing solutions by using emotional intelligence.
- Service excellence and electronic communication (emails and telephone).
- You ARE your brand/autograph your work with excellence.
- Developing your personal Service Excellence Action Plan.

The 10 Risks People Take With Their Smartphones



If you think of your smartphone as just a phone, rather than a very powerful mini-computer that happens to make phone calls, you may be cruising for a world of pain. That's because the amount of sensitive data many of us store on our phones is truly staggering.

A smartphone provides us direct access to our savings and checking accounts. It may store our passwords to Facebook, Twitter, Pinterest, even our email accounts. The phone numbers and email addresses of all our friends and colleagues are easy to find in our contacts directory. Despite our best intentions, how many of us have left our phones -- or come dangerously close to leaving them -- in the backseat of a taxi, sitting on top of the toilet paper dispenser at our favorite restaurant, in the seatpocket of an airliner, on the bar of a tavern, by the hotel pool, or on a conference table after a meeting?

To help you prepare your defenses, here are the 10 dumbest things that people do (or fail to do) with their smartphones.

- 1) No password protection.
- 2) Shopping online with an Internet browser instead of a shopping app.
- 3) Remaining logged into banking, PayPal, eBay, and other sensitive apps.
- 4) Automatically connecting to any available WiFi connections.
- 5) Leaving Bluetooth connections open.
- 6) Failing to properly purge data from old smartphones.
- 7) Downloading "free" apps that aren't actually free.
- 8) Storing sensitive data on phones.
- 9) Failing to clear browser history.
- 10) No remote wiping software.

*Excerpt from column by ADAM LEVIN, Credit.com
February 3, 2013 ABC News, columnist Adam Levin and also Chairman and cofounder of Credit.com and Identify Theft 911.*

Contact Us

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