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**Welcome Remarks**

Delivered By

Catherine Kumar

CEO

Trinidad and Tobago Chamber of Industry and Commerce

**BREAKFAST MEETING  
“SMALL AND MEDIUM ENTERPRISE MARKET”  
MONDAY 25<sup>TH</sup> JUNE, 2012  
8:00AM –11:00AM  
LEON AGOSTINI CONFERENCE HALL,  
CHAMBER BUILDING**

- Mr. Wain Iton, CEO, Trinidad and Tobago Stock Exchange
- Ms. Maria Daniel, Partner – Transactions Advisory Services, Ernst & Young
- Mr. Ivan Berry, CEO- CW2 Music
- Mr. Christopher Lewis, Chief Executive Officer, Business Development Company (*newly appointed, effective 1<sup>st</sup> June, 2012*)

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- Representatives of our sponsor – **Ernst & Young**
- Ms. Luana Boyack, member of the Chamber's Board of Directors
- Members of the Media

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Good morning,

I would like to thank each of you for taking the time to be here today for what promises to be a very informative session. As some of you may know *Small and Medium Enterprise Development* has been identified as a key area of focus for the Chamber over the next three years. It was therefore a strategic decision for us to partner with the Trinidad and Tobago Stock Exchange and Ernst & Young to host this educational session with the aim of moving the

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initiative of the Small and Medium Enterprise Market forward.

In announcing this initiative and the establishment of a Third Tier on the stock market in the 2011/2012 National Budget presentation the Minister of Finance stated that, “For too long they (SMEs) have been relying on high cost commercial finance which has limited their viability and expansion”. We have to bear in mind that our business landscape is predominantly SMEs based. However, if you

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Speak to any SME in this room, they will tell you that the banks' lending conditions are based on a traditional model of asset based financing. They generally view lending to SMEs as high risk as in many cases the security required to support the loan is not available. The question can then be asked, what is the position with services companies, which comprise a significant portion of the SME market? Are our banks equipped to assess services companies as potential loan receivers? While there may be few other alternatives for financing, such as

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factoring, we believe it is time to expand the financial market and we view listing on the stock exchange as a viable alternative source of funding.

Another positive impact to expanding the market is that it will present greater options for investors, particularly as we are currently experiencing high liquidity and low interest rates for other investments in this challenging economic environment.

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While we are calling for an opening of the market to include SMEs, we do recognise that some firms may not understand the requirements for listing on the stock exchange nor do they have the necessary documentation in place. Moreover, there are some who may be eager to grow their business but are perhaps intimidated by the prospect of 'opening up' what has started as a family owned business.

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Today, we hope to address some of those concerns as our panel will walk you through some of the steps you can take to get your business ready to list on the stock exchange.

Today you will hear about the benefits of being a public company, procedures and guidelines for admission, specific admission requirements such as method of issue, the tax incentives, movement between the third tier of the market and the Main Board, timeline to admission, life on the SME market and leaving the SME market.



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It is our hope that following today's session, there will be greater interest by our SMEs in listing on T&T's Stock Exchange.

We acknowledge, however, that getting your business ready to list can be costly and these costs may even be seen as prohibitive and a deterrent to listing. As such we are proposing to the Ministry of Finance in our National Budget Recommendations for 2012-2013, that the

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specific costs related to listing on the stock exchange inclusive of professional fees be tax deductible for SMEs.

By no means is this initiative a new concept. Junior markets as it is commonly referred to, have been launched such as the Alternative Investment Market (AIM) of the London Stock Exchange and on the Toronto Stock Exchange where is it referred to as the Venture Market (TSX-V). Right here in our region we have the success story of the Junior Market of the

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Jamaican Stock Exchange which was launched in April 2009 which already boasts of 13 SMEs that have gone public. You will note on your agenda, we have with us today, Mr. Ivan Berry who will speak on his company **C2W Music's** experience on the Junior Market.

I want to take this opportunity to encourage the media to get involved in raising the awareness for this initiative. As always, you are our partners in giving importance to issues of national importance, and we would like to work

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with you to take this particular issue even further. We have become so used to hearing about the economic crisis and its challenges, globally, regionally and domestically. We must, too, shed as much light as possible on positive initiatives that encourage entrepreneurship, employment and economic stimulation.

In addition to the SME Market, there are additional steps that we can take to further expand the stock market. Such activities include the divestment of First Citizens Bank

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and the Port of Point Lisas (PLIPDECO) which was also mentioned in the last Budget statement but which is yet to happen. Whilst we are sure that much activity is probably happening to progress this divestment, the Chamber urgently calls for urgent action as it will create yet another opportunity for our local investors.

I want to thank our sponsor, Ernst and Young for partnering with us to host this very important event. Ernst & Young has also been an active

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champion of the Small and Medium Enterprise Market and so their involvement in this morning's meeting to sensitise the public and our SMEs on this important initiative is significant and much appreciated.

I encourage you, members of the audience, to use this prime opportunity to ask as many questions as possible and tap into the knowledge of this panel of experts.

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Thank you. I now introduce our first speaker - Mr. Wain Iton. Wain was appointed as the CEO of the Trinidad and Tobago Stock Exchange in 2007. Prior to this he ran a private consultancy offering guidance on corporate finance matters with particular emphasis on the structuring of initial public offerings (IPOs) and was also head of the Jamaican Stock Exchange during the period 1987 to 2004. Wain will certainly provide us with some great insights into our local Exchange market, so without further ado, I now hand you over to Wain.

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*(Wain goes to the podium)*

I would now like to introduce Ms. Maria Daniel. Maria is a Partner with Ernst & Young, Trinidad in charge of Transaction Advisory Services. She has led several high-profile engagements and provides clients with advice on raising both debt and equity capital as well as strategic options analysis towards maximizing shareholder value.

*(Maria goes to the podium)*



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Our next speaker will deliver a real story of his experience, Mr Ivan Berry, entrepreneur, talent development executive and the CEO of C2W Music, a company which has recently listed on the Junior Market of the Jamaican Stock Exchange.

*(Ivan goes to the podium)*