

TTCSI Seminar

“The T&T FINANCIAL SECTOR – CREATING THE FUTURE WE WANT”

FRIDAY, MARCH 12, 2010

Welcome Remarks

Mr. Lawrence Placide, President TTCSI

“Thanks Nirad. Good morning everybody! Members of the head table welcome; the press, it’s always good to have you here. I want to depart from what I was going to say just to make special mention of Mr. Valley. Nirad mentioned his role in establishing TTCSI, but it really was a pivotal role. Without Mr. Valley’s support and vision, this organization would not have been established and we really do owe him a debt of gratitude; we hope to repay that support with work on behalf of the private sector in the services sector in the next few years Minister. Thank you! Fellow members of the head table, participants, other speakers today, it really is a pleasure for us to see such a full house to discuss what we think is a very important subject: the future of our Financial Services Sector. A sector which we know is critical to our economic development and at the same time one which has been under some stress locally in the last few years. Before I go any further, I do wish to apologise in advance for my having to leave right after these brief remarks, I do have an appointment which, although I tried to change, I was not able to. So again, apologies to the other speakers and the audience as I won’t be able to be part of the discussion further on. As Nirad mentioned, this idea was situated in the context of negotiations which are taking place between Canada and Caricom on a trade and development agreement. These negotiations began in November, and in fact, a second round is scheduled at the end of March. As he also mentioned, Services of course is a part of it; it is a key export interest of Caricom and in that services group we will be discussing financial services. Canada is a key demander in the area of Financial Services. The region is currently, as Nirad suggested, finalising its position relating to these negotiations. And if you would allow me, I’ll just give a little bit of background of the negotiation context. The Financial Services Annex which Canada has laid before Caricom at the negotiations has not yet been introduced to us but it’s been circulated to Members States and the negotiating team. That Annex is based very much on Canada’s previous agreements in the sector, most recently a Trade Agreement with Peru. It links very closely, access in Financial Services; it is intended to promote the right of establishment: the right of a Financial institution to establish in the territory of Canada and Caricom; it deals extensively with the issue of cross-border trade in Financial Services, and as well, as I said, includes investment. We received that draft, as Caricom, in the context of the economic situation which we face in the region; the situation relating to Financial Services. We don’t have a Caricom Financial Services Agreement, despite eight years of effort; there is no regional stock exchange. Regional regulators are meeting more now than they ever have before but still, perhaps there needs to be additional work there. There seems to be little convergence on key elements of Financial Services Law in the region, and we have the fallout from the Clico (CL Financial) issue. The model presented to us therefore poses some challenging questions for Caricom to answer. The member states will answer this on the basis of your comments, on the basis of

your input, the private sector input. We know that Canada will promote extensive liberalization in financial services and they can point to their recent agreements and say that in their bilateral agreements, they have opened up significantly their Financial Services Sector. On the other hand, we know that internally, there are a number of restrictions in place in the Canadian market that make it effectively very difficult for foreign Financial Service providers to function. There are restrictions on access to that market, there is differential treatment of foreign financial service providers within the Canadian market with respect to taxation, with respect to composition of boards, and of course we have to cope with the different regulations in the various Provinces. So in exchange for extensive liberalization into the Canadian market, of course Canada will be asking Caricom to liberalize its own. Are we ready for that? Are we willing to pay the price of new access to the Canadian Market? Should we pay the price for that access? These are questions that we hope we'll begin to have discussed today and, as was pointed out, in a future discussion in more detail. Hopefully with yourselves in an environment that is more conducive to discussing fully, specific elements of the Canadian proposal and, in fact, our response either in the negotiations or within the Caricom framework. This is an exciting session ahead of you; I won't take much time, I know the Governor is very busy. So I just want to end by thanking the staff of TTCSI for working to make these arrangements and all of you for being here; I hope that you participate actively and make it the success that we expect it to be. Thanks very much."