SENATE

Wednesday, February 05, 2020

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT in the Chair]

PAPER LAID

Annual Report of the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) for the year ended September 30, 2019. [The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan)]

URGENT QUESTIONS

Point Fortin East Secondary School
(Examination Preparation Issues)

Sen. Taharqa Obika: Thank you, Madam President. To the Minister of Education: Given protests by students of the Point Fortin East Secondary School to highlight infrastructural and administrative issues facing examination preparations at the school, can the Minister indicate what urgent action is being pursued to address said issues?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. I rise to answer this question on behalf of the Government, and in particular the Minister of Education. Madam President, following the Prohibition Notice served to various blocks within the school by the Occupational Health and Safety Authority, OSHA, the Ministry requested a structural inspection from the Ministry of Works and Transport at the Point Fortin East Secondary School.

In a letter dated January 24, 2020, the Ministry of Works and Transport stated that the building appeared to be in fair physical condition. In light of this, the
Ministry engaged the National Maintenance Training and Security Company, MTS, to conduct air conditioning, ceiling replacement and masonry remedial works to the blocks C and D, and an electrical upgrade remedying the defects as outlined by the electrical inspectorate. These works are currently 50 per cent completed.

In the circumstances, Madam President, every effort is being made to ensure that the students of Point Fortin East Secondary School have access to quality education.

Sen. Obika: Thank you, Madam President. This is the flagship secondary school in Point Fortin. Could the Minister indicate when will blocks C and D be complete?

Sen. The Hon. F. Khan: I was just informed by the Minister of Education that very likely these works will be completed sometime next week.

Sen. Obika: Thank you very much, Madam President. Could the hon. Minister indicate what challenges this has caused, or may cause to students completing their School Based Assessments?

Sen. The Hon. F. Khan: Obviously there would have been challenges. The Ministry of Education and the Government by extension apologizes for the challenges that the students face. But I think once the school is open in the shortest possible time, hopefully by early next week remedial action will be taken to address this situation.

Poole RC Primary School
(Measures to Address Transportation Arrangements)

Sen. Wade Mark: Thank you, Madam President. To the Minister of Education: Further to protests by the parents of Poole RC Primary School to highlight the
absence of transportation arrangements for their children who were relocated to another school, what immediate action is being taken to resolve this situation?

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you, Madam President. The Poole RC Primary School was relocated to St. Therese RC School in September of 2019. Sometime after the relocation process, a request was made for transportation to the School Supervisory Division of the south-eastern district. Regrettably, through some miscommunication this information was not relayed to the Ministry’s Head Office at Port of Spain. Madam President, the parents’ request for transportation was only officially brought to the School Supervision and Management Division by the Principal yesterday. The Ministry of Education is currently in the process of making quick arrangements with PTSC to facilitate the transportation of approximately six students within the shortest possible time and I personally hope by next week.

**Sen. Mark:** Madam President, could the hon. Minister indicate whether some 89 students are being affected as a result of the lack of transportation?

**Madam President:** But—Minister.

**Sen. The Hon. F. Khan:** Well, if I am to believe the Minister of Education and the Ministry of Education, the reply has 60 students have been affected. So that is the official figure.

**Sen. Mark:** Yes, Madam President. Put it another way, when will this situation be rectified as it relates to the provision of transportation? Could you tell us specifically when?

**Madam President:** Sen. Mark, that was answered in the original answer that was given to the question. Next question, Sen. Thompson-Ahye.

*Coronavirus in Hong Kong*
(Possible Quarantines Locally)

**Sen. Hazel Thompson-Ahye:** Thank you, Madam President. To the Minister of Health: Given reports that there are 21 confirmed cases of the Coronavirus in Hong Kong, including three that were transmitted locally, locally meaning within Hong Kong, and students have been returning to this country from Hong Kong, is the Ministry considering imposing a quarantine on those students?

**The Minister of Health (Hon. Terrence Deyalsingh):** Thank you very much, Madam President and I am grateful for the question. The best way to answer is to read the question. “Given reports there are 21 confirmed cases in Hong Kong”—the number of cases is actually 15 coming out of WHO; that is one. “Including three that were transmitted locally”—I am glad for the correction, no cases have been transmitted locally to Trinidad and Tobago. That was the context that I read the question to be and you clarified what you meant. So no cases have been transmitted locally. “And students have been returning to this country from Hong Kong, is the Ministry considering imposing a quarantine on those students?” I will now refer to the statement that I read into the Parliament on Friday, 31 January, 2020, and I quote, it is on the *Hansard* and I put it here again:

> “In the event that a person presents at a port of entry in Trinidad and Tobago, they may be subject to quarantine measures.”

So the answer is yes, anybody coming into Trinidad and Tobago, whether it is a Trinidad student, anybody after we announced the travel restriction will be subject to quarantine.

The information I had from the Immigration Department is that three students came in; two students came in two weeks ago and one student came in last week before the measures were implemented. My information is so far none of these students are symptomatic. But anybody coming into Trinidad and Tobago
after, after the measure will be subject to quarantine and/or isolation. So I thank the Member for her question. Thank you very much.

**Sen. Thompson-Ahye:** So that if in fact—

**Madam President:** Sen. Thompson-Ahye, a supplementary? Yes?

**Sen. Thompson-Ahye:** If in fact it is shown to you that a student came into this country on Friday, then are you going to take measures? Is that what you are saying?

1.40 p.m.

Yes, and thank you, and measures have already been taken. That student, that Trinidad and Tobago national who came in on Friday is in self-isolation and has been since Friday, and that is the protocol being followed around the world. People who are low-risk are put into self-isolation instead of institutional isolation. If they present with no symptoms and are deemed to be of low risk, they are put into self-isolation, which is being followed in the United Kingdom, Canada, the United States and everywhere around the world, and we are no different, we are following international best practice. Thank you very much.

**Sen. Thompson-Ahye:** Can the Minister explain what is meant by “self-isolation” because if the student is interacting with the parent who is working outside of the environment, I am very concerned as to what that “self-isolation” means.

**Hon. T. Deyalsingh:** “Self-isolation” is a condition imposed for people who pose little or no risk of being able to transmit the disease. You take a note of their travel history, you take a note of symptoms, whether they are febrile or not, you look at their home situation. In this particular case, that student only lives with one person, and so, the risk of transmission amongst many family members is close to zero, and “self-isolation” means they keep a distance from anybody else, normally three feet, and “close contact” means, close contact for 15 minutes or more. That is what
“close contact” means in the context of coronavirus. You should not be in close proximity under three feet, for 15 minutes or more. So those conditions are being applied to this particular student. So, that is what “self-isolation” means. Thank you very much, Madam President.

ORAL ANSWERS TO QUESTIONS

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, the Government is pleased to announce that it will be answering all questions on notice on the Order Paper.

European Union Blacklisting
(Measures to Address)

32. Sen. Wade Mark asked the hon. Attorney General:

Given the decision by the European Union to continue the blacklisting of this country, can the Minister state what steps are being taken by Government to address this issue?

Madam President: Minister of Agriculture, Land and Fisheries.

Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you very much, Madam President.

Madam President: Minister of Finance.

The Minister of Finance (Hon. Colm Imbert): Thank you very much, and just by way of information, Madam President, the Government’s initiatives to deal with being listed as high-risk destinations or on a grey list are being promoted and the lead has been taken by the Attorney General. We, in the Ministry of Finance, provide support because we are quite satisfied that the Attorney General’s prosecution of this matter has been very effective and very vigorous. And I want to congratulate him before I go into the answer.

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The steps being taken by the Government to address the EU implementation of the methodology for the identification of high-risk third countries are to address all remaining strategic deficiencies in the national anti-money laundering and combating of financing of terrorism and proliferation financing regime of Trinidad and Tobago, the AML/CFT/PF, which are under review by the Financial Action Task Force, FATF.

These strategic deficiencies have been addressed by both significant legislative and operational improvements to the AML/CFT/PF regime in our country. The Government has worked expeditiously to ensure all deficiencies are addressed, in order for Trinidad and Tobago to be removed from the public FATF compliance document. More recently, the country underwent an on-site assessment, an examination of our authorities by the FATF, during the period January 06 to 07, 2020, at the Ministry of the Attorney General and Legal Affairs.

The Attorney General and Minister of Legal Affairs, will attend before the FATF to receive the outcome of this assessment at the opening FATF plenary meeting during February 16 to 21, 2020. In other words, Madam President, within the next two weeks in Paris, France. In addition, the Attorney General and Minister—sorry, Madam President—and Minister of Legal Affairs, has established regular engagement with the European Commission and its representatives at the FATF and the Caribbean Financial Action Taskforce (CFATF) and will continue to do so at the FATF plenary meeting.

In tandem with this, and this is where the Ministry of Finance comes in, the Government has ensured the deficiencies in the country’s tax transparency regime are fully addressed, which is the second component of the methodology to the EUs high-risk third countries. The Joint Select Committee, chaired by myself, has completed comprehensive work on the tax package of legislation, namely, the
Mutual Administrative Assistance in Tax Matters Bill, the Tax Information Exchange Agreements Bill, and the Income Tax (Amdt.) Bill, in order to ensure full compliance with the requirements of the Global Forum. With the finalization of this package of Bills, the JSC received consultation and input from the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes technical team.

This has served to ensure that the legislation reflects the Global Forum standards towards achieving a multilateral framework for tax transparency and information sharing. Consequently, the country becoming fully compliant with the Global Forum upon conducting its peer review, which is scheduled for the third quarter of 2020 this year.

The Tax Package Bills were carried over on September 20, 2019, the final report of the JSC was laid on November 22, 2019 and will be imminently debated in Parliament. We are also consulting with the EU Ambassador to Trinidad and Tobago, and EU representatives based in Brussels for further technical assistance.

Madam President: Sen. Mark.

Sen. Mark: Madam President, can the Minister indicate, given all the initiatives that have been taken, legislative wise, and from an operational point of view and the imminent debate that is supposed to take place in our Parliament, can the Minister indicate whether the Government is confident that Trinidad and Tobago will ultimately be removed from the EU blacklisting that we have been subjected to for some time. Can the hon. Minister share that with us?

Hon. C. Imbert: Firstly, Madam President, I do not like that word. The Trinidad and Tobago is on a list of high-risk countries, and yes, barring unforeseen circumstances, we are reasonably confident that we will meet the EU requirements for removal from that list.
Sen. S. Hosein: Madam President, through you, to the hon. Minister. Minister, I wonder whether or not—the recent events in the European Union regarding Brexit—this will affect any of the ratings being given to Trinidad and Tobago regarding us being noncompliant.


Construction of Toco Port
(Impact on Grande L’Anse Coral Reef)

33. Sen. Wade Mark asked the hon. Minister of Works and Transport:

In light of reports that the construction of the proposed Toco Port will negatively impact the Grande L’Anse coral reef in Toco, can the Minister advise as to what measures will be taken to protect the reef?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):

Thank you, Madam President. Madam President, several articles and reports recently published in the media have been based on an article published in April 2019, entitled “Biodiversity Coral Reef Communities in Marginal Environment along the North-Eastern Coast of Trinidad, Southern Caribbean”, which was prepared by Belford SG, Phillip DAT, Rutherford MG, Schmidt Roach S and Duncan EJ. The article highlighted two reef sites along the north-east coastline of Trinidad: Salybia and Grand L’Anse reef. The reef located at Grand L’Anse is the smallest of the reefs along the north-east coast. Madam President, NIDCO has procured the services of ERM group, to undertake the Environmental Impact Assessment, the EIA, for the Toco port facilities.

It is noteworthy that after the article was published, NIDCO requested that ERM review the publication. ERM concluded that the data suggest that the Grand L’Anse reef is not as high diversified as the Salybia reef and the construction of the
port will not lead to a decrease in the species diversity in the north-east Trinidad.

In fact, as part of the EIA, ERM is conducting a marine biology baseline study which includes manual dives and drop camera survey within the project area. This survey has identified 37 benthic invertebrate species, none of which is endangered or vulnerable. It is also noteworthy that the current in the area flows in a westerly direction and as such the activities of the port will not have any significant impact of the Salybia coral reef or any other reef east of Grande L’Anse reef.

Madam President, despite establishing that there are no critical endangered or vulnerable coral species within the project area, mitigation measures will be implemented to protect the surrounding environment. The following preliminary measures have been identified to protect the reef within close proximity to the project site:

- Limit the extent of nearshore dredging as much as possible to avoid the removal of coral.
- Utilize silt fence during dredging and reclamation activities to reduce the dispensation of sediments.
- Continuous water quality monitoring during the construction and operations of the facilities to ensure that the water quality remains at an acceptable level at all times.
- Development and implementation of spill management plans, monitoring plans, environmental management plans, as a minimum to ensure that the port operations operates in a manner which does not diminish the water quality below acceptable levels.

The data collected from the EIA study is currently on going and further measures will be developed and included in the EIA based on the findings of the EIA study. I
thank you, Madam President.

**Sen. Mark:** Madam President, can I ask the hon. Minister, which agency of the State would have recommended the several mitigating measures that the hon. Minister outlined in his presentation?

**Sen. The Hon. R. Sinanan:** Madam President, the process of actually constructing a port like this is well known. You must get approval from the EMA. You have to submit all the findings. You have to have consultations with all the stakeholders. And until that is completed and the EMA gives you the all-clear to go ahead and they give you the required permission and the certification, only then, will you be able to start construction. So everything has to be acceptable to the EMA, thank you.

**Sen. S. Hosein:** Thank you very much, Madam President. Can the Minister indicate whether or not a certificate of environmental clearance was granted for this project?

**Sen. The Hon. R. Sinanan:** Madam President, I think it is clear that I closed off by saying, the EIA is an ongoing exercise and once all the information is gathered, it is submitted to the EMA, only then will that certificate be granted. Thank you.

**Sen. S. Hosein:** Madam President, can the Minister indicate whether or not the EIA will also cover foreseen damages to the reefs that the Minister outlined when the port is operational or whether or not it is only restricted to the construction of the port?

**Sen. The Hon. R. Sinanan:** Madam President, in my information, I did not speak anything about the damage to the reef in the future. This is why you have the EIA, this is why you have that study and this tells you what to do to protect it, while you are in construction and going forward if there is any damage in the foreseeable future. So, the EMA takes into consideration the construction and the operations of
Energy Agreement
(Details of)

34. **Sen. Wade Mark** asked the hon. Minister of Energy and Energy Industries:

In light of the energy agreement between Shell Trinidad and Tobago Limited and the Government of Trinidad and Tobago, can the Minister indicate the following:

(i) which terms of the new production contract have been improved;

(ii) how much enhanced revenue is the country expected to realize and over what period; and

(iii) what are the new works and/or expenditure commitments?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, in response to (i), the agreement covers Shell production sharing contracts for the East Coast Marine Area (ECMA) comprising blocks 5(a), block 6, block E and block 5(c), and in the North Coast Marine Area (NCMA), one, its Colibri project comprising NCMA 4 and block 22.

The commercial terms of the LNG marketing arrangements for gas for these blocks were improved. The terms of the ECMA PSCs block 5(a), block 6, and block E have been extended to 2030 and that of NCMA 1 to 2035. The quantum of enhanced revenue accruing to government will be dependent on the global market for LNG, and will be realized over a period 2019—2027. The pricing regime for LNG will now be based on one-third Brent, one-third JKM and one-third NBP as compared to the original contract of a reference Henry Hub price. This new contract is significantly superior to existing regimes, that is, Henry Hub and the Spanish market, and therefore, there will be improved returns to the Government,
but you cannot quantify it until you start marketing the gas. We have a formula.

Additionally, Madam President, the Ministry of Energy and Energy Industries received a signature bonus of US $80 million on signing of the new PSCs.

With regard to (iii), Shell is projected to spend in excess of US $1 billion in development works over the period 2019—2021. These works are geared to maintain production in its ECMA blocks and NCMA 1 block and in bringing on stream new production from its Colibi project and block 5(c). First gas from block 5(c) is projected for 2021, and for the Colibi project in 2022. Good agreement.

**Sen. Mark:** Madam President, could the hon. Minister indicate whether the Government undertook an estimated cost of revenue foregone by its decision to extend the licence for Shell to 2030 and 2035 respectively? When I understand it was supposed to have been completed and returned to the people of T&T, at the end of 2023. Can the Minister indicate what revenue losses we would have foregone?

**Sen. The Hon. F. Khan:** Madam President, it is obvious that the hon. Senator does not have a full comprehension of what he is saying. We are not forgoing any revenue. We are enhancing our revenue, because the old contract was based on Henry Hub prices which is the lowest natural gas price in the world, because of the surplus of gas in the United States. This new price includes a basket of markets which is one-third Brent, which is reference to crude which is the highest priced crude in the world, to NBP which is a new Balancing Point, which is a European market, and most importantly, the JKM which is the Japan/Korea Market. This is enhanced revenue so I do not know where the hon. Senator got his impression that is revenue foregone.

**Sen. Mark:** Madam President, would the Minister be willing to provide this
Parliament with details of the terms of the new production contract?

**Sen. The Hon. F. Khan:** Madam President, as you know these contracts are covered by nondisclosure agreements. However, I am giving you the basic components of the contract, okay? And the single most important aspect of gas PSCs is the marketing arrangements, and that is what we have settled over the last two years in complex negotiations all over the Hague and in Trinidad and Tobago, and this new pricing formula, let me once again repeat, is significantly superior to the old formula.

**Sen. Deonarine:** Thank you, Madam President. To the hon. Minister, through you, Madam President, could you give us an example of—so for example, the price of natural gas yesterday was around US $1.80. With this new pricing formula that you have, could you give us a comparison of how much more this new pricing formula would allow us to earn compared to the market price? Thank you.

**Sen. The Hon. F. Khan:** I cannot give an exact calculation. But the gas price you are quoting is a Henry Hub price, okay? Gas prices all over the world are now depressed. But there was a time when Japan/Korea was paying three times the amount that Henry Hub was paying now it is about two and a half times. So, I do not want to be quoted as giving a figure, but it will be in orders of magnitude difference.

**Madam President:** Next question, Sen. Obika. [Desk thumping]

**Closure of Petrotrin**

(Ex-Petrotrin Staff Pension Fund)

65. **Sen. Taharqa Obika** asked the Minister of Energy and Energy Industries:

In the aftermath of the closure of Petrotrin, can the Minister advise as to the findings of the latest actuarial report or the findings of the Fund Manager on the Pension Fund for ex-Petrotrin Staff?

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The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. I assume everybody is hearing me. Petrotrin has two pension plans namely the Petrotrin Employees’ Pension Plan and the Staff Pension Plan. The last actuarial reports were prepared for the three years ending in September 2016, and are thus out of date. In or around November 2019, a report was produced for simulation purposes which sought to address the long-term impact of Petrotrin’s restructuring on the two plans. Based on the simulation report, the staff pension plan has adequate resources to meet all of its obligations, whereas the employees’ pension plan shows a possible deficit in 25 years for the scenarios that were simulated.

Petrotrin has advised that actuarial valuations for the three years ending in September 2019, are currently in progress and will provide more accurate information on the actual funding status of both plans. These reports should be completed by June 2020. In addition, the Ministry of Finance has commissioned an independent actuary to conduct an independent valuation of the plans, and their ability to meet their liabilities, to provide the best possible information for decision-making purposes. This independent valuation should also be completed by June 2020.

Sen. Obika: Thank you, Madam President. Can the hon. Minister indicate how many employees, how many persons on the employees’ pension plan stand to be affected by this named deficit in the plan as it proceeds?

Hon. C. Imbert: Absolutely none, because the Government will take whatever action is necessary.

Sen. Obika: Thank you, Madam President. Can the hon. Minister indicate when would the Government be required and the taxpayer be required to support the deficit in this employees’ pension plan after the closure of Petrotrin?

Hon. C. Imbert: Thank you, Madam President. I have not yet attained the status
of a psychic or a “seer-man”. I would have to wait until the actual report is delivered in June 2020, before I could answer that question.

Sen. Obika: Thank you, Madam President. Can the hon. Minister indicate therefore, if the fund is generally under-funded or if only one of the pension funds is under-funded?


Sen. Mark: Can I ask the hon. Minister whether there is any deficit, or if there is a deficit in the current Petrotrin pension fund, particularly as it relates to the Petrotrin workers not the Tesoro workers, the Petrotrin workers, Madam President?

Madam President: Sen. Mark, I will not allow that question based on the answer that was given.

Establishment of Financial Cooperatives Authority
(Arrangements for Cooperative Development Officers)

66. Sen. Tahrqqa Obika asked the Minister of Labour and Small Enterprise Development:

Given the announcement in the 2019/2020 Budget that an Authority for financial cooperatives will be established, can the Minister indicate what human resourcing arrangements will be made for Cooperative Development Officers currently working at the Cooperative Development Division of the Ministry?

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Thank you, Madam President. Madam President, the decision announced by the Minister of Finance in the 2020 National Budget points to the strategic direction that the Government of Trinidad and Tobago intends to follow, regarding the enhanced regulation, supervision and development of

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cooperative societies. Questions relating to the human resource arrangements for cooperative development officers currently working in the Co-operative Development Division of the Ministry of Labour and Small Enterprise Development, are operational issues which can only be addressed as part of an overall action plan involving an in depth discussion and consultation, with all stakeholders including the representing trade unions.

The focus of the Ministry is to support the institutional strengthening of the Co-operative Development Division. As a result, in keeping with the decision of Cabinet, discussions have been initiated with the Governor of the Central Bank of Trinidad and Tobago to provide technical support in areas such as:

1. On-site inspection and examinations of credit unions;
2. Assessment and analysis of financial investments;
3. Risk-based supervision of credit unions; and
4. Reconstruction and liquidation.

In addition, Madam President, to ensure that the cooperative development officers are in possession of the requisite skills, the Central Bank has agreed to ensure that the necessary technical training as it relates to the financial and supervisory function, are made available to the current staff of the CDD. This is one aspect of an overall programme to ensure that the staff of the Co-operative Development Division are equipped with the necessary competencies to perform their jobs, and that the CDD is fully staffed with the human resources necessary for the development of the co-operative sector in Trinidad and Tobago.

Finally, Madam President, the Government of Trinidad and Tobago is also focused on the strengthening of the Co-operative Development Division through the filling of all existing vacancies by the Director of Personnel Administration, in order to boost the administrative and regulatory functions of the division. Thank
you, Madam President.

**Sen. Obika:** Thank you, Madam President. Can the hon. Minister, notwithstanding the collaboration between the CBTT and the Co-operative Division, can the hon. Minister indicate whether there is a timeline for the operationalization of this authority for co-operatives?

**Sen. The Hon. J. Baptiste-Primus:** Madam President, as one would appreciate, the establishment of such an authority will take some time hence the Cabinet’s decision for me to proceed as the line Minister to engage in the institutional strengthening of the division, by equipping the officers with new skills and competencies, to monitor and to advise the Credit Union Sector in terms of the multimillion-dollar investments that are being made.

**Sen. Obika:** Thank you, Madam President. Given the difficulty with establishing a timeline for public knowledge, can the hon. Minister indicate whether or not the fears of the staff at the division regarding possible redundancy, are well placed, or if they will have no problems with their jobs provided this timeline gets in effect?

**Madam President:** Sen. Obika, I will not allow that question. Any further questions, Sen. Obika?

**Sen. Obika:** Madam President, I could probably try to rephrase in a better way. Can the hon. Minister indicate whether or not the authority’s creation will result in job redundancies at the Co-operative Development Division?

**Sen. The Hon. J. Baptiste-Primus:** Madam President, I am happy to respond to that question because we would have addressed— when I say “we”, the Permanent Secretary at the Ministry and other members of the executive management team would have met with the staff and addressed all their concerns. There is no, absolutely no, expectation of any redundancy. And I hope that such language would be put to rest this afternoon.
Sen. Obika: Thank you, Madam President. And the final question I have on this matter is, will the authority result in dual regulation of the co-operative sector, in particular, credit unions?


2.10 p.m.

Sangre Grande Road Paving Works
(Details of)

81. Sen. Taharqa Obika asked the hon. Minister of Works and Transport:
Having regard to the road paving works done in Sangre Grande before December 02, 2019 and the rapid deterioration of the said roads in the two weeks subsequent, can the Minister advise as to the following:
(i) whether there are clause(s) in the paving contracts that provide a defect liability period; and
(ii) if the answer to (i) is in the affirmative, does the Ministry intend to trigger the provision of said clause?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Madam President. The answer to part (i), the contract document provides for a defect liability period of 18 months. Additionally, the contract makes other provisions to safeguard the integrity of the project in the form of performance bonds and retention. Part (ii), in accordance with the contract, remedial works for the road paving work in question have begun and are ongoing. The Ministry of Works and Transport will in this case and in all such cases seek to ensure that the required quality and standards are achieved. I thank you.

Sen. Obika: Thank you, Madam President. Can the hon. Minister indicate the number of contractors that were involved in the project cited?
Madam President: No, that question does not arise. Sen. Hosein.

Sen. S. Hosein: Madam President, could the Minister indicate whether or not if this was one of the road paving exercises leading up to the local government election last year that the Government hurriedly did in order to win seats in the last election?

Madam President: Sen. Hosein, let me stop you. That question does not arise. [Interruption] Catch your breath, and now ask the question.

Sen. S. Hosein: Can then the Minister answer whether or not—

Madam President: Yes.

Sen. S. Hosein: Sorry, who is the contractor for this particular project?

Madam President: Minister.

Sen. The Hon. R. Sinanan: Madam President, like this project and all other projects undertaken by this Government, this was a process, a tendering process, conducted by NIPDEC. On this project I think we engaged close to eight contractors, two of which were paving contractors, the rest would have been smaller contractors, all on a tendering basis. The piece in question is a paving job done by one of the more reputable contractors in Trinidad. Unfortunately, there was a challenge with the mix, and the contractor agreed under the terms and conditions of his contract to have it redone. I do not know if you want me to go in further than that. It is unfortunate if I have to come to the Parliament and call contractors’ names, because I really would try to avoid that, but if the President insists.

Madam President: Sen. Hosein.

Sen. S. Hosein: Can the Minister answer whether or not the remedial works will be any additional cost incurred to the State, please?

Sen. The Hon. R. Sinanan: Madam President, I think it was clear, there is a defect
liability period which indicates that the contractor will repair the job at his cost. Once we find a defect on a job that has an 18-month defect liability period, and you identify anything within that 18 months, then the contractor does it at his cost. And I can tell you since 2015 to now, this Government has utilized that clause. Thank you.

Madam President: Sen. Hosein.

Sen. S. Hosein: Thank you very much. Can the Minister indicate how long it will take for these remedial works to be conducted, please?

Sen. The Hon. R. Sinanan: Madam President, this job would have started a couple of days ago. The area has already been stripped. They have put in the stabilization. It has to take about two or three days before they do the final paving. We are hoping to have this job completed by now and weekend, by now and this weekend.

INSURANCE (AMDT.) BILL, 2019

Order for second reading read.

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. I assume everyone is hearing me. Just checking the sound system. Madam President, the Insurance Act—oh sorry, my apologies. I beg to move:

That a Bill entitled an Act to Amend the Insurance Act 2018, be now read a second time.

The Insurance Act, 2018, was passed in the House of Representatives and in the Senate in February of 2018 and May 2018, respectively, and was assented to by the President in June of 2018. It will come into force upon proclamation by Her Excellency The President. Various versions of this Act were laid in the Parliament between 2011 and 2016, before finally being passed and enacted in 2018. It is the product of four joint select committees of Parliament and an exhaustive
consultation process with industry stakeholders and the public. In the 2010 to 2015 period, there were three failed attempts to get this Insurance Bill addressed and dealt with by the Parliament. It was eventually sorted out when this administration came into office, and I had the privilege to chair a Joint Select Committee dealing with the Insurance Bill.

The Insurance Act is an extremely complex piece of legislation. It contains 282 sections, 12 schedules and 10 regulations which will be laid in due course to support it. During the debates on the 2018 Bill, we did recognize that amendments for the Bill would be required as it becomes operational, and this is in particular to comments made by Members of this honourable House, Senators. Arising from those comments made in the Senate in particular, the Central Bank conducted a review of the 2018 Insurance Act, and consulted with the industry stakeholders on the new regulations to support the Act. Based on this review and consultation the Central Bank has recommended a number of amendments for a smooth implementation process with which the Cabinet has agreed to support. The Insurance Act, 2018, is necessary to bring the industry into the 21st Century, and by extension this Insurance (Amdt.) Bill, 2019, hones the provisions of the regulatory framework to which this Parliament has already agreed for a safe, modern, stable and growing financial sector.

And in passing, Madam President, the Central Bank and the Ministry of Finance have had a visit from a joint team from the World Bank and the IMF who came at the request in particular of the Central Bank at a visit to Washington last year, and this particular joint World Bank IMF team was asked to conduct a review of our financial services sector of which the insurance industry is a significant part. So if anybody wants to know why the IMF is here, they are not here for an Article for Consultation. They are just here as part of a project which was requested by the
Ministry of Finance, and the Central Bank in particular, to look at our insurance industry, and look at banks, look at Unit Trust, look at credit unions, look at the whole range of financial services that are offered in Trinidad and Tobago, and to identify strengths and weaknesses so that we in Government and the regulators can take whatever action is necessary.

I cannot emphasize how important it is, not just for the insurance industry and the public, but also to the wider economy to have relevant legislation and regulations to govern the conduct and trade of the insurance industry, which currently comprises 12 life insurance companies, 19 general insurance companies, and close to 3,000 brokers, adjustors, agents, and salesmen. The insurance and pension industries are long-term investors in projects, businesses, and the country’s infrastructure, and thereby facilitate sustainable growth and economic development. The assets of the insurance industry total 48 billion as at September 2019, and account for approximately 29 per cent of the GDP of Trinidad and Tobago. Assets under management for the pension sector totalled 51.1 billion in September 2019, and accounted for 31 per cent of our GDP. The combined assets of the insurance and pension sector is thus of the order of $99 billion, or if you do the math, almost 50 per cent of our GDP, of which more than one-third is invested in securities issued by the Government of Trinidad and Tobago.

Implementation of the Act, the Insurance Act that is, is crucial for the resilience of the financial sector. This would be reflected in the said report I just referred to, the World Bank IMF Joint Financial Sector Assessment Programme, also known as FSAP for short, on Trinidad and Tobago. In the past, legislative gaps in the Insurance Act, the old Insurance Act, have been repeatedly identified as needing legislative attention. Now that the Insurance Act, 2018, exists, it is anticipated that this country will be assessed under the FSAP based on the
proclamation and effective implementation of this new regulatory regime for insurance. The Insurance (Amdt.) Bill, I am advised, is a vital prelude to the proclamation, and smooth and proper operation of the 2018 Act.

The Bill before the House effectively seeks to tidy up—or before the Senate, seeks to tidy up certain provisions of the 2018 Act, and lend greater harmonisations in the regulation of the sector. There are a number of mixed group structures in Trinidad and Tobago whereby regulated entities and unregulated entities coexist in one group. These structures make it difficult to assess the risk to which regulated industries are exposed, and I can think of many conglomerates, Massy; Ansa; the failed CL Financial conglomerate and so on, where you have a multitude of entities, some of them regulated some of them not regulated. The Insurance Act, 2018, the new Act gives the regulator the power to require restructuring of business groups that engage in financial and non-financial activities to form a financial holding company, to hold exclusively the regulated financial entities in the group, for example banking and insurance. At this time there are five major mixed groups in Trinidad and Tobago where each single group consists of both insurance and banking. The combined assets of the regulated industries within these five mixed groups are approximately one-third of the total assets of the financial sector, so it is significant. And if you again do the maths, that would be over 15 per cent of our GDP, closer to 17 per cent. Harmonisation of the Financial Institutions Act and the 2018 Insurance Act is also critical for the supervision and oversight of financial groups which include non-bank institutions.

For this reason, the Insurance (Amdt.) Bill before the Senate proposes minor amendments to harmonise the 2018 Act and the Financial Institutions Act. For example, the definition of control, controlling and significant shareholders, the restructuring of related group companies, treatment of credit exposure, compliance
directions, regulation-making power, and the participation of insurers in an alternative dispute resolutions scheme to benefit policyholders. Many provisions within this Bill are also intended to correct what I would call typographical errors, errors in cross-referencing, grammar and syntax. I therefore do not propose to traverse the Bill clause by clause, but just deal with the important areas. Central to the proper administration of the Insurance Act, 2018, is a clear definition of control and “carrying on insurance business”. Clauses 6 and 11(a) of this Bill before the Senate, seek to provide further clarification on these definitions which are set out in sections 6 and 20(1) of the 2018 Insurance Act. Another important aspect of the Act is its application to regulated entities. Clause 11(b) of the Bill seeks to amend section 20(2), to make it clear that intermediaries when conducting the business for which they are registered will not be caught within the meaning of the term “carrying on insurance business”, and so require registration as an insurer. This implements the recommendation of the industry, so that persons who provide services to insurance companies that are not insurance services would not be caught within the meaning of “carrying on insurance business”. The crucial power in the regulatory tool kit is the power to request information from persons exercising varying degrees of control, which is what Parliament agreed to in the 2018 Insurance Act.

Clause 8 clarifies that the Inspector of Financial Institutions can also request information from acquirers, persons who are acquiring insurance companies under section 11 of the Act. For the first time the new Insurance Act will seek to restrict the use of words or any of their derivatives, or any other expression that connotes or intended to connote insurance business. Clause 12 seeks to amend section 21 of the Act, for clarity, consistency and the flexibility of the High Court to make appropriate orders in relation to breaches thereof. Section 4(2) of the Financial
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Institutions Act introduces a similar restriction on the use of the word “bank” or any variation of the word that forms a part of the word “bank”.

And, Madam President, just to digress, in the other place I had just used by way of example that where we want to now make sure that no person who is not a registered insurance company can call themselves an insurance company, or can make as if they are carrying on insurance business, by way of example I referred to lawyers, doctors and so on, and for some reason, rather than focusing on the subject matter, which is the fact that we are simply trying to ensure that persons cannot portray themselves as insurance companies, the reporter chose to quacks and—“I not able, nah”. [Laughter] So let me just reinforce, that what we are doing here is making sure that persons cannot represent themselves to be insurance companies, or insurance entities, or carrying on the business of insurance, so in some way engage in the business of insurance. In the same way this is restricted with respect to “bank”, and it is also restricted with respect to a number of professions. I would not give the person the opportunity to reiterate what I said in that way.

You would appreciate that a smooth transitional process is essential to maintaining the stability of the financial system which benefits the industry and Trinidad and Tobago as a whole. For that reason clause 13 of the Bill seeks to amend section 22 of the Act to clarify inter alia the stated capital requirements for the composite insurance companies registered under the 1980 Act that had to be grandfathered under section 23 of the 2018 Act. So that there would be some companies who may not meet precisely the new capital requirements, and they would be grandfathered, but there will be specificity with respect to the capital requirements of composite companies registered under the 1980 Act. Further, clause 14 of the Bill amends section 23 of the Act to clarify the process for an
insurer registered under the Insurance Act, 1980, to obtain a new certificate of registration, especially where its old certificate of registration has been lost or destroyed.

Under the 2018 Act, only companies incorporated under the Laws of Trinidad and Tobago can apply for registration as an insurer. I just want to make this point clear, we are doing away with foreign insurance companies. That will be a thing of the past. So in order to carry on insurance business in Trinidad and Tobago, once this Act is proclaimed, which we expect to be proclaimed within the next two months if not before, then persons carrying insurance business will need to incorporate themselves and register as a Trinidad and Tobago company. Therefore, clause 15 of the Bill amends section 24 of the Act, and deletes the reference to “foreign company” which is no longer relevant, because foreign companies in the insurance business will no longer be allowed to exist. So that is a tidying up amendment. Clause 17 of the Bill amends section 29 to match its intention that all insurers will have to meet registration requirements detailed in the Act on a continuous basis. This clause now makes this crystal clear.

Madam President, it is also paramount that registered insurers do not conduct regulated business with unregistered persons or companies. Clause 18 of the Bill seeks to clarify this prohibition in section 30(1) of the Act, as well as introduce another exception to restriction on business activities registered insurers may conduct. This is necessary to allow for the Export-Import Bank of Trinidad and Tobago, Eximbank, which is a government special purpose company to continue to carry out its public functions. Eximbank is a registered insurer under the 1980 Act. This is something I only recently realized. And pursuant to its mandate, conducts business activities outside of those specified in the 2018 Act. It has a very limited insurance portfolio. Started off as an insurance company but
now of course it deals with facilitating exports in particular.

The amendments to subsections (5), (6) and (8), and the introduction of a new subsection (13) in section 30, would allow Eximbank to continue to fulfil its public function without contravening the 2018 Act, and its public function is to facilitate exports. Clause 20 of the Bill seeks to amend section 43(2) of the Act, the Insurance Act that is, for clarity, inserts a new subsection (3), which provides the inspector with the necessary oversight powers to ensure fair and equitable treatment of participating policyholders. This is something that arose from consultation with the industry. Clause 21 of the Bill amends section 44 of the Act, to provide further clarity, especially for instances where an insurer may make a withdrawal from its Catastrophe Reserve Fund. This is especially important as the 2018 Act now makes it mandatory for all insurers conducting property insurance business to establish and maintain a Catastrophe Reserve Fund. Clause 21 also clarifies that an insurer may make withdrawals from the Catastrophe Fund when it exceeds 120 per cent of its net written premium in relation to its property insurance business, provided that in so doing it would not breach any of the stated requirements. Again, this is for clarity.

Clauses 22, 31, 72 and 73, which introduce a new section 48A, and amend sections 64, 263 and 265 of the Act, serve to clarify when a vesting order would be applicable. A vesting order allows the transfer of assets from one company to another in a single legal instrument. The availability of this mechanism is particularly important for branches of foreign insurers—now exists—who will be required to transition to companies incorporated in Trinidad and Tobago, and for groups which are subject to mandatory restructuring under sections 47 and 48 of the Act. And let me clarify this further. When the Insurance Act is proclaimed, which as I said should be within the next two months, foreign entities who now
operate by way of having a branch in Trinidad and Tobago, will have to transition to a local company, and establish a company incorporated in Trinidad.

So they will be forced to do so by law, and groups will also be forced to restructure in accordance with sections 47 and 48 of the Act. So they will have to create companies, local company in one place, financial holding company in another instance. We are forcing them to do that, and they will have to transfer whatever assets that are associated with that particular business, insurance as the case may be, financial services as the case may be, to these new entities. So, we are forcing them to do that. Normally there is a charge of stamp duty when you transfer assets, but since this is something which is being imposed by the Government, this vesting order and the arrangements surrounding the vesting order will allow the exemption from stamp duty.

Clauses 25, 26 and 27 amend sections 52 to 54 of the Act, to provide further clarity on the procedural requirements that apply to controlling shareholders, significant shareholders, and acquirers of insurers in a simplified fashion. In order to integrate the procedural requirements of the Insurance Act with the Companies Act, clause 30 amends section 63 of the Insurance Act to require insurers to file schemes of transfer approved by the Central Bank with the registrar of companies.

Madam President, good corporate governance practices create an atmosphere of transparency and accountability. These principles are very present in the Insurance Act, 2018. However, the Central Bank told us that there were a few places where an opportunity to apply corporate governance could be improved. Some amendments like those to clauses 13, 17, 35 and 52, amending sections 22, 29, 69 and 116, rectify those omissions and clearly define the role of the board and senior management in transition plans and declarations which must be submitted to the Central Bank. Clause 38 of the Bill amends section 82 of the Act, to minimize risk.
as far as possible during the transitional capital ratio period of five years. This is another mechanism for clarifying capital requirements during the transitional period post proclamation.

Further, a central premise of the 2018 Act is the concept of risk management and risk mitigation. One way to achieve this is by imposition of concentration limits on credit exposures incurred by insurers. Section 89 of the Act provides that an insurer shall not incur credit exposures to a person in excess of 25 per cent of its capital base. However, section 89(1)(a) provides for an exception to this prohibition in relation to a credit exposure that is fully guaranteed by the Government of Trinidad and Tobago, and we also did this the other day with respect to banks, so that it allows governments to be involved in credit exposure, facilitating financing by the commercial banking sector of the Government's Development Programme and so on, and this will now assist insurance companies to also get involved in financing the Government’s Development Programme.

The provision as currently worded did not provide conditions the guarantee had to meet in order for it to qualify for the exception, as it already does under the Financial Institutions Act. Accordingly, clause 41 of the Bill amends section 89(1)(a) to introduce criteria that the credit exposure to the Government must meet in order for it to be exempt from limits. Clause 42 of the Bill also amends section 90(4), subsection (4), for clarity on the exposure limits in relation to directors and officers of insurers and their relatives. An error in respect of the application of temporary cover to life insurers to reflect the current status quo in the industry, is corrected in clause 43, which amends section 92, subsection (1)(c)(i). Clauses 46 and 47 of the Bill amend sections 101 and 107 of the Act to clarify the priority and source of funds for the payment of the cost of suspension and winding up.

And, Madam President, the 2019 Insurance Bill introduces for the first time
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the concept of provisional certificates of registration for sales representatives that do not have the educational qualifications necessary to be considered fit and proper for registration but have been endorsed by their principal. The Act currently makes provision for insurers and brokerages to endorse their sales representatives which would allow them to work in a limited capacity under the direction and control of a registered intermediary. Clause 51 of the Bill introduces an amendment to provide for the equal treatment of sale representatives of insurance agencies and brokerages by allowing sales representatives of agencies to apply for provisional certificates of registration. So, what we are doing here is allowing persons who may not meet all of the qualifications required to be insurance salesmen or salespersons, or saleswomen, but they would be working under supervision, and they will have provisional certificates of registration. Clause 55 of the Bill inserts a new subsection (5) in section 136, which specifies that the financial statements of agencies and brokerages are to be audited by an auditor that is fit and proper, and a practising member in good standing with ICATT, or such other professional association approved by the Central Bank, and this is very important. We have had instances of persons, auditors who are on suspension, who are under investigation, or who have been struck off the list, that attempt to audit the accounts of companies, so this now makes it crystal clear that such an auditor must be fit and proper, and a practising member of ICATT or any other approved association.

2.40 p.m.

Clause 57 of the Bill amends section 155, mainly for clarity. However, it merits mention that the language in section 155, subsection (1)(c) is very broad. It was felt that the inspector should not issue compliance directions for the violation of any provisions of any law as it is now worded, but only those related to the regulation of financial services or designed to protect against fraud. This is a more

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objective criterion for the exercise of the inspector’s powers. So we are reducing the powers of the inspector and putting them in context. So the inspector can only issue compliance directions when it relates to a violation of regulations dealing with financial services or there is some element of suspected fraud.

Clauses 68 and 71 amend sections 251(1) and 255 of the Act to rectify the ambit of prosecutorial proceedings brought under the Act, to include all relevant regulated persons to which this section applies.

Clause 76, which amends section 281 refines and makes clearer how branches of foreign insurers are expected to reorganize their businesses to come into compliance once the Act is proclaimed. And again, I want to repeat, after the Act is proclaimed, no longer would there be any foreign insurance companies in Trinidad and Tobago.

At the beginning of this presentation, Madam President, I spoke of the need for harmonization between the FIA and the Insurance Act. This is necessary to ensure that the Central Bank regulates the various members of financial groups which may be a combination of insurance companies, banks and non-bank financial institutions in a like manner. An example of this is at clause 67 which seeks to introduce a new clause 250A that provides for insurers to:

“…enroll in an alternative dispute resolution scheme approved by the Central Bank.”

Insurers already participate voluntarily in the ADR scheme administered by the Office of the Financial Services Ombudsman. So this should not be too onerous. It is also a requirement for licensees under the Financial Institutions Act who also participate in this ADR scheme. This is necessary for consumer protection.

Another aspect of the regulatory scheme introduced under the 2018
Insurance Act is the ring fencing of financial entities in a group. In order to ring fence the financial entities, mixed groups will have to restructure placing the financial entities under a financial holding company and the resulting structure will allow for consolidated supervision. The 2017 JSC, which I had the privilege to chair, was of the view that restructuring under section 47 of the Act should not be subject to stamp duty. This is something I referred to previously.

Considering that restructuring under section 48 and 281 would also be mandatory, the automatic exemption from stamp duty should extend to all forms of mandatory restructuring. In other words, we are forcing them to restructure, we are forcing them to incorporate local companies, and therefore, they should be exempted from stamp duty when they take the assets from the existing conglomerates and put them into these financial holding companies or these local companies.

Clause 73 of the Bill amends section 265 of the Act to make provision for stamp duty exemption for all forms of mandatory restructuring under the Act. The power to make regulations is also an important step in the process of operationalization of the legislation. The Insurance Act, 2018, as currently worded, contains a brief and rather wide-ranging power to make regulations. It was felt that the language of the 1980 Act provided greater guidance for the use of regulation-making powers. Accordingly, clause 75 of the Bill amends section 279 of the Act to introduce a non-exhaustive list of matters for which the Minister may make regulations to support the legislation. In other words, tighten up the areas where the Minister may make the regulations, do not leave it open. These provisions were crafted by combining the 1980 Act and similar provisions in the Financial Institutions Act and adapting to make them consistent with the 2018 Act.

Sections 184 and 185 as well as Schedule 12 of the Act proposed to amend
the Married Persons Act. The Government was of the view that those provisions should not be proclaimed until Parliament has had an opportunity to interrogate more comprehensively the effect of the proposed changes to the law as it relates to married persons and insurance. Clause 77 and 82(a) of the Bill addresses this decision.

Finally, Madam President, clause 82(b) introduces a few consequential amendments to section 56(1) of the Central Bank Act for the voidance of doubt on the protected stages of information received from trustees and beneficiaries of private pension fund plans. Just like the Insurance Act, 2018, the amendments in the Insurance (Amdt.) Bill, the Bill before the Senate, reflect the implementation of the Insurance Core Principles of the International Association of Insurance Supervisors, and those are the guiding principles. This framework is critical for creating and maintaining a stable and growing insurance sector in Trinidad and Tobago that engages in safe and sound practices, it is fair to policyholders and can successfully weather a financial crisis with minimum disruption.

Before I close, Madam President, we did have some comments on the Insurance (Amdt.) Bill from ATTIC, the Association of Trinidad and Tobago Insurance Companies. We sent those comments to the Central Bank, we also sent them to a learned senior counsel and, at this time, we do not see any need to make any further amendments because we think all matters have been adequately addressed. I want to stress, before I close, that this amendment Bill is the product of a request that came from the regulator. This is not the Government’s invention. This is not some sinister plot on the part of the Government to amend the 2018 Insurance Act to benefit certain unknown persons as was falsely stated in the other place. These amendments have all come from the Central Bank which is the entity that has to regulate the insurance industry. They asked us, the Government, to hold
our hand with respect to the proclamation of this Act while they, the regulator, could consult with industry, review the Act, look at best practice, look at what is happening in the world and ask us to make amendments. We have looked at what the Central Bank has asked us to do, which is the Bill before you and we are in an agreement. I beg to move, Madam President. [Desk thumping]

Question proposed.

Sen. Wade Mark: [Desk thumping] Thank you, Madam President. I would have liked the Central Bank to have come before a joint select committee of this honourable Parliament, so we could have interrogated the Central Bank on some of these proposed amendments. [Desk thumping] But the Central Bank is not here. Who is here? The Minister of Finance. He will have to take “de licks” for the Central Bank who is not here.

Madam President, I think it was Mighty Sparrow in the early ’80s who sang a classic, “Capitalism Gone Mad”. And, Madam President, when we examine this document and we related to not only one document, this big fat Insurance Act of 2018, this is related to the Central Bank Act; this is related to the Insurance Act of 1980, 38 years or 39 years old. So we are not just dealing with these amendments that the Minister—I guess confession is good for the soul, so he confessed to us this evening, like Shaggy, “don't blame me”, blame the Central Bank, is “dey” who ask for it. But who is bringing it here? Who is bringing it here? It is the Minister of Finance and, by extension, the Government.

Madam President, I want to say this afternoon that the measure that is before us, simple as they may appear, technical as they may seem at times, confusing to many of us—and, Madam President, it is the last time we on this side will be facilitating this kind of arrangement where we do not get sufficient time to study legislation, they are rushed. The Governor of the Central Bank, the Finance
Minister, the Government had months to study this piece of legislation, we are given a few hours to do it. We are taking it for the last time, so we serve notice on the Government, do not come back with this kind of rushed legislation in this Parliament. [Desk thumping]

Madam President, I listened very attentively to the hon. Minister. Not once in his presentation did the hon. Minister made the reference to Clico; not once did he make reference to the disposal of the Clico insurance traditional policyholders’ portfolio to a company called Sagicor. Not once. But, Madam President, when you look at this piece of legislation, the heart and soul of this legislation is to continue the facilitation of the sale of Clico portfolio assets and insurance, whether it is life, whether it is general, whether it is pension-related, all of that is going to who? And, Madam President, you know what is ironic about the presentation that I heard, we are getting rid of foreigners. No foreigners will be able to come and run operations in Trinidad and Tobago unless they are incorporated. That is now a law and we are changing that. What is new? What is new?

Madam President, what the hon. Minister did not tell us is that there is a foreign company called Alignvest out of Ontario, Canada that purchased Sagicor, which is no more. There is a new Sagicor and the new Sagicor is owned by a foreign company called Alignvest. And, Madam President, under the laws of Canada and Ontario, there is something called a specific—it is called SPAC, a specific purpose acquisition company. This company called Alignvest came on the scene in 2017, 2017, we are now in 2020 and they found themselves in a place called Ontario. And you know what they did? They raised between US $500 million and US $2.6 million in Canada, and guess what? They bought out Sagicor of Barbados for US $536 million.

So Sagicor, like Clico, is no more in Barbados. We have lost Sagicor and
what we have is a front called “new Sagicor”, and who is the real owner? Alignvest. Who are they? Canadians, many of them. I have nothing against Canada, Madam President, I love Canada, I go to Canada. But I am saying when we are dealing with matters of public interest, the Minister of Finance has a duty to come clean and tell this country what this thing is about.

Madam President, I have evidence here you know, but I will not expose all today. But, Madam President, when you hear about the players involved, Republic Bank is part of it you know. Madam President, if you hear the big players involved in this move to take control of this economy, it will send chills up your spinal column. We are being told here today, “These are simple amendments,” and the Minister goes through it like if it is nothing. When the Minister ought to know, and if he does not know, let him be informed that what this Parliament is being asked to do today is to deal with amendments that will consummate, and I will tell you how it will be consummated.

A sales and purchase agreement has already been signed between the Central Bank and Sagicor, Alignvest, and it will take them months, if not a year or two to make the schemes of transfer real and by that time, we are told by the distinguished, illustrious and hon. Minister, in February/March, these laws will be proclaimed, both the Insurance Act of 2018, and what we are debating today. And what we are debating today will now lay the framework and the passageway for a foreign company called Alignvest to take control of all our local Clico policyholder portfolio. Madam President, do you how much it is valued? It is valued at $8 billion, US $1.2 billion and that is going where? In the hands of a foreign company called Alignvest and they kept the brand, Sagicor. So Sagicor is there. And you know we did it ourselves and people might tell themselves, “You know, that is Sagicor of 175 years old out of Barbados.” That is not the Sagicor out
of Barbados, 175 years old. That is a new Sagicor that was bought out for US $536 million by a company called Alignvest out of Canada that was formed fly-by-night, 2017. And in two and half years, we are now debating, transferring through all these amendments here, Madam President, deletion, repeal, amend, all of these amendments are designed to achieved that objective at the end of the day. I think the time has come for us to have a forensic criminal enquiry into this matter.

Madam President, I do not have resources, but I believe that when you connect the dots, a fella called Michael Lee-Chin out of Jamaica, who is a big billionaire with Canadian citizenship, when you connect the dots I believe that this man is behind Alignvest.

Madam President: Sen. Mark, if I may. You have now been speaking for over 10 minutes and you have spoken on this matter for the full 10 minutes. I will ask you now to move on to other aspects of your contribution.

Sen. W. Mark: Of course, Madam President, and I shall connect the dots as I proceed. I am sure you would allow me to do it. This is a serious matter, you know, Madam President.

Madam President, may I tell you something? We spent nights here in these hollow Chambers and walls, four joint select committees looked at this insurance fat Bill of 333 pages and we debated it, we passed it. Madam President, do you know when we passed in our House? I think it was April or May. You know when it was assented to? In June of 2018 and the Minister confirmed that a short while ago.

Madam President, 12 months in the year 2019, six months in 2018, 12 and six is 18, January is one, 19; 19 months. Go to section 279(1) and (2) of this Insurance Act, you will see where regulations to govern this Act were supposed to be tabled and debated in this Parliament. Negative, you table, you bring a Motion;
affirmative, you must debate.

Madam President, we are now debating a second set of amendments to the same parent Act and, Madam President, you know what? The regulations have not been laid. After 20 months the regulations governing the Insurance Act of 2018, Act No. 4 of 2018 has not been laid. And what the Minister tells us now? In two months’ time the law will be proclaimed. If you proclaimed a law and there are no regulations to govern the laws and the provisions contained therein, what effect that will have, Madam President?

So, Madam President, I am very, very, concerned with what we are being ask to deal with here today. I believe that we, in this Parliament, are being taken by external forces for a ride and we are being used as a rubber stamp Senate to accomplish other person’s ambitions and desires. But as so long as I can breathe and I can research, I will expose the shenanigans of those who have their own objectives and own goals.

So, Madam President, I will take your very wise counsel and let me try to deal with some of the measures that are before us. Madam President, if you even go to the definition section which is section 4 of the legislation, you will see how the Government is seeking to water-down the legislation. And you ask yourself, “Why is the Government seeking to water-down the legislation?” Madam President, who can object, having gone through the Clico experience of 2009 not supporting strong regulation, so we can build a solid financial service sector, because we understand the importance of that sector to our economy, the kind of foreign exchange it can generate. So we need to have a strong, regulated financial sector. And we were told by the Minister of Finance that sector is valued at almost $100 billion; pensions is 99 billion or some 51 billion, the rest in assets, insurances another amount, but it is billions, tens of billions of dollars.
So, Madam President, I went through sections of these definitions and I am seeing where efforts are being made to tighten the various definitions. I see also where they are seeking to delete the word “property”, where it appears and replace it with the word “assets”. I saw that in the definition section. I saw where they replaced “foreign company” with the word “foreign insurance company”. Again, Madam President, why foreign insurance company? You moved from foreign company to foreign insurance company. That is to facilitate the company called Sagicor, which is foreign to us and that is to facilitate the owners of Sagicor, Alignvest, which is foreign to us. So again, Madam President, you can see the dots being connected in this matter that is before the honourable Senate.

Madam President, there is something that I saw that had me a bit concerned and I wish to draw it to your attention. Madam President, it deals with section 7 or you can say clause 7 of the Act. And when you go to (d) of that particular section or clause, it says:

“So section 10 of the Act is amended—”

And when you go to (d) it says that, it says:

“…subsection (14)—delete— “the words ‘audits or cause to be audited’ and”— substitute— “the words ‘examine or cause to be examined’.

And, Madam President, you ask yourself the question, why would the Minister want to do that? I noticed in his contribution he did not deal with that matter at all. But to understand section 10 or clause 7 of section 10, Madam President, you will permit me to go to the parent Act because it is the parent Act that we are amending. So we have to refer to this particular section of the legislation.

So in this section, Madam President, we go to what is called subsection 14 of this particular section. And, Madam President, if you would follow it, I do not
know if you have a copy, it is a very voluminous document and under 14, if I may quote for you, what is here is we have something called the inspector of financial institutions. And by the way, Madam President, I want to ask the Minister of Finance, why is the inspector of financial institutions, one, Mr. Patrick Solomon, no relationship to the dead Patrick Solomon, he is the inspector of financial institutions and he has been acting as if he is a star in Hollywood for the last few years. And this matter that we are investing more power in this particular office holder, we want to know why the Government has this individual who is the inspector of financial institution, acting and not taking steps to appoint him permanently to the post? So I raise that en passant.

Madam President, I want the also ask you to pay attention to this section. It states:

“10(14) The inspector may audit”—this is in the original Act, Madam President—“audit or cause to be audited the records of approved educational institutions and intermediaries in order to verify that the information contained in”—what is called the—“CPD…”

Madam President, CPD means, Continuing Professional Development. That is what it means.

And this inspector has to validate by verifying whether this individual would, in his CPD returns, whether he would have done what he claimed to have done.

3.10 p.m.

Madam President, with the greatest respect, I thought we had in this country something called The Accreditation Council of Trinidad and Tobago, and I thought that they were responsible for educational institutions. But here it is we are giving the inspector, Madam President, the power to audit, or to cause to be audited, the
records of approved institutions, educational institutions. So again, I draw it to your attention.

**Madam President:** Sen. Mark, unless I am mistaken you are speaking to the parent Act, what is in the parent Act. That is what you are taking issue with?

**Sen. W. Mark:** No. What I am saying is that there is an amendment to this section.

**Madam President:** Right. But when you were just speaking you were speaking to the parent Act and not to the amendment, which is what I am trying to draw to your attention. Continue.

**Sen. W. Mark:** You would agree with me that there is an amendment to the parent Act and they are removing, Madam President—Madam President, I do not know if you studied it as I did, but I did a lot of study here. I “doh” joke when I deal with these things you know, even though I have limited time. So, Madam President—

**Madam President:** Sen. Mark, I hope you are not—okay.

**Sen. W. Mark:** I apologize to you, Madam.

**Madam President:** Yes, thank you.

**Sen. W. Mark:** Madam President, you know I and you go back long, eh. So I apologize to you. [Interruption] That is my friend, my friend. We fought in Pointe-à-Pierre—I never forget that—and I got licks. I got licks in Pointe-à-Pierre. The President dealt blows. [Laughter] Yes. So I “doh” skylark. When I am speaking here I “doh” skylark you know. I get licks you know—at the elections eh. Madam President, at the elections, please because none of us engage in domestic violence. None!

So, Madam President, may I continue? Madam President, I was just drawing to your attention they were deleting “audit or cause to be audited” and they were replacing it with “examine or cause to be examined”. So I was just drawing to your attention that why—what is the significance, Madam President, of deleting “audit
or cause to be audited” with the words “examine or cause to be examined”; and I am just asking: What is the mischief that was being addressed here? That is all I was seeking to draw to your attention, Madam President. So I do not support the amendment that is being proposed. I think that it is watering down what is being intended in the first instance. So I do not support those changes that the Minister proposed.

So, Madam President, you go to clause 10 of the Bill before us today and it says that:

“(1) No director, officer or employee of the Central Bank or person acting under the direction of the Central Bank shall disclose—

(a) any information regarding...”

—and it goes on to tell you. But more importantly, it talks about a privately administered pension fund plan and its trustee. Now when I read this section in this Bill that is before us I asked myself immediately whether this section does not clash with the Freedom of Information Act, and this is a matter that we ought to pay some attention to because it does appear to me that there is some conflict in this matter. So I draw this to the attention of this honourable Senate so we would be aware of this particular challenge.

Madam President, we realize that as we go to clause 13 of the legislation we again see where the Central Bank is seeking to impose under clause 13(e)(6), I think (b), where, for instance, the Central Bank is saying, or we are giving the Central Bank a kind of power in which it can impose any conditions on the registration of the insurer or to give any other directions that it considers to be necessary in relation to the plan, and again these things are very broad. They are very open, and at times we need to make our legislation and the language that we are using a little more certain.
Madam President, when you say that the Central Bank may impose any conditions—and this is in the amended legislation that I am referring to, clause 13, and it is amending section 22 of the parent Act, and this is a provision in the legislation. What do we mean or how are we to interpret the Central Bank being given the power:

“to impose any conditions on the registration of the insurer or give any other directions that it considers to be necessary”

—in relation to the plan? Again, we find that these powers are too broad, they are too wide, they are too sweeping, and we need to have the relevant and necessary checks and balances to this particular clause.

Madam President, I want to take you quickly, because I know my time would be upon me shortly. I go to clause 30 of the Bill—and it is on page 24 of my Bill that I have before me—but it refers to section 63 of the Act.

So, Madam President, again, what it says:

“(a) in subsection (5), by deleting the word ‘The’ and substituting the words ‘on the recommendation’…”

Madam President, let us go to section 63. Madam President, I hope you have a copy here, you have to follow. Madam President, you go to 63. Yes 63, and you go to subsection (5). The current section reads:

“The Minister may by Order exempt transfers below a specified threshold from the requirements of sections 57 to 63.”

Now if I were to go through 57 to 63 I would reopen Sagicor/Alignvest to show you the link between what we are dealing with here and the sell-out of our national assets to foreigners by this so-called Government, or when I say “so-called” you know they always tell us they are patriotic. They are patriotic. I want the population of Trinidad and Tobago—when we go on a public platform and we
begin to tell the country what this Government has done, they will be anything but patriotic.

Madam President, you know what is happening here? Sometimes you cannot distinguish between the Governor of the Central Bank and the Minister of Finance. Sometimes I believe the Minister of Finance is the Governor. Now certain decisions are being taken, but when it comes to blaming, it is like Shaggy, “Don’t blame me”. So, Madam President, what we have in section 63 is the substitution of subsection (5). So instead of saying, “The Minister by Order exempt transfers below a specified threshold”, you know what it is reading now, Madam President?

“On the recommendation of the Central Bank, the”
—Minister may by Order.

So it is now the Central Bank who is proposing to the Minister to exempt transfers below a specified threshold from the requirements of sections 57 and 63. So when the time comes and said it is the Minister of Finance, he say, “No, no, no, it wasn’t me. You ain’t see the Act? We amended it. This came from the Central Bank. It is the Central Bank who recommend it to me. So what do you want me to do? I had to take the order.” So what is happening here, Madam President, somebody does not want to take the blame for this sell-out. So poor Governor Dr. Hilaire, he is the trouble.

Madam President, and you know what is even more important? We do not know what “a specified threshold” means. What is that? What is “a specified threshold”? Below that, what does that mean? We do not know. What I do know is that the information we have, and I stand corrected—somebody could correct me, Madam President.

Madam President: Sen. Mark, you have five more minutes.

Sen. W. Mark: Madam President, thank you. I stand corrected. I know that Clico,
before she was taken over by the Government—and, Madam President, as I am on this point, I want to ask the Minister of Finance, in winding up, is Clico solvent today? Is Clico solvent today? And if Clico is solvent today why is the Governor under section 44D of the Central Bank Act not releasing Clico back to Clico? Why are you selling Clico out to Sagicor and Alignvest? I ask the Minister of Finance, in winding up, to answer this question. My information is that Clico today is solvent, and Clico today has in its fund close to $3 billion.

**Madam President:** Sen. Mark, you have very few minutes remaining and I would ask you to—*[ Interruption]*

**Sen. W. Mark:** I am rushing.

**Madam President:** Well, in rushing, confine yourself to the Bill please, please.

**Sen. Mark:** Madam President, I am eager to come back where you are. *[ Interruption] I am coming back you know, Madam President. Madam President, let me just explain something here. Madam President, 75 of this Bill, you have for instance under subsection (2):

> “Regulation made under subsection (1) shall be subjected to a negative resolution of the Parliament.”

I want to propose it be affirmative. Wherever there is “negative”, I am proposing a positive or an affirmative so that we can have an eye on this Government and what it is doing.

Madam President, I just want to say in my closing moments that I have left, I want to read a statement that was in the *Express* of October 15, 2019, and I read Madam President, in closing:

> “Sagicor Financial Corporation is—I-S—paying nothing to Clico and British American Trinidad to acquire their tradition insurance portfolios, worth over $8 billion, as the regional insurance company is acquiring insurance

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liabilities that have a greater value than the total investment assets that are to be transferred to Sagicor.”

I ask the Minister in closing, tell us the total liabilities that Sagicor/Alignvest is taking over so that they can get $8 billion without paying a cent for those assets?

Madam President, I know my time is up. I want to thank you for giving me the opportunity to speak. I needed about three more hours to deal with this fiasco that we are dealing with here today, but that is for another day. I thank you very much for allowing me to speak. [Desk thumping]

Madam President: Sen. Deyalsingh.

Sen. Dr. Varma Deyalsingh: Thank you, Madam President, for allowing me to speak on this Bill, an Act to amend the Insurance Act, 2018.

Madam President, as I looked at this Bill I realized that since 2003 there were major changes that came about from say 2003 looking at the Insurance Bill then where there was actually a supervisor of insurance in that post, and that post was abolished by the then Prime Minister, the hon. the late, Patrick Manning, and actually the power was now given to the Central Bank under the inspector in the bank and that power now was transferred to the Central Bank. I looked at this transfer from 2003, and I looked at further changes in 2007 where there were equities on pension plans, securities, to assist in looking at the statutory fund which was really the fund left to act as the buffer. Then 2009 again minor changes were made, and then attempts were actually made in 2011, 2013, 2015 but it really did not materialize, and as the Minister of Finance said, that, you know, finally it came to this conclusion where we could now look at this and debate this Bill.

Madam President, as I looked at the fact that the Insurance Bill, it looked at the—if you look at the history of insurance, insurance is there really to protect. In the beginning it started to protect individuals. Shipping agents wanted to protect
their ships. They came together as persons, they put their moneys together just in case that some ship will sink or pirates will get at one, the others would be able to run their business. So it came about and actually from the marine safeguards it went on to property, and then personal and life interest, and all these things. So there is a great use of it and we see the Insurance Act actually is important in this sense that maybe there is the need for insurance in a lot of our transactions—life insurance; and when you are buying mortgage, you need insurance; when you have a car you need insurance. So it is there. And the importance of that Act really is really to ensure that, on the one hand, the individuals can have a safety net, but on the other hand we have looked at the whole purpose of insurance, Madam President, and remember insurance and their whole portfolio, their whole companies, they are there to actually make a profit and we must not forget that.

As Sen. Mark mentioned, and he spoke about capitalism and the profit margins, we have to appreciate they are there to make profits and they would make profits and sometimes we see that. When people go to acquire claims they may have trouble, and something in this Bill I am thinking should be there for the ordinary citizen. You know there is the financial Ombudsman, but there should be something in this where—if I am missing it the Minister will correct me—the ordinary citizen can now go and complain, could now somehow reach out and say listen, I am having a little disagreement with a company because we know they are profit driven, and as President Marx said, “Capitalism seems to drive them”.

But you see, Madam President, when I looked at the fact that the Clico scenario happened—and I must say that Mr. Duprey is a brilliant man in the sense that he carried a company, a local company. He was able to move it, go into international markets, go into energy, and we have to admire that sense he had. I think he grew up in St. Joseph. I think he played football with my uncle. He was

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there. He was a man there, he knew the culture, he knew the country, and he actually took this company to great heights. No one could have foreseen what was going on in the world market, the collapse in the housing industry and what not. So therefore, things happened and things started to happen and we had this situation arising.

Madam President, as I looked at the fact that—you know assets of $48 billion, insurance industry, I mean it is 27 per cent of the GDP of Trinidad and Tobago; the pension section 51.1 billion, 31 per cent of the GDP; and combined assets is 99.1 billion; and more than a third is invested in securities issued by the Government of Trinidad and Tobago. So therefore, I want to remind the fact that, yes, there are insurance companies. They do play an important role in our economy, but they reinvest it in government bonds. So therefore, if the Government has an issue to somehow assist certain companies we have to make sure it is not a sort of incestuous relationship where you scratch my back I will scratch your back, you invest in my bonds which I need people to invest in my bonds, and if you do need a bail out I will be there to give you that bail out. So this is one aspect I am looking at, the fact that the bail outs of certain companies can occur and we have to somehow prevent any sort of appearances that the Government may be bailing out companies that are taking their bonds and having that sort of relationship.

You know, Madam President, I also would like to bring up the fact that if you have the situation occurring with Clico—this started years ago. It started years ago and it started under different administrations who actually had to act in cases like this, and I am looking at the fact that if you have this bail out occurring we have to recognize that these companies—we have to say if this was allowed to occur who has to get the blame? Who has to be the one? Is this somehow covered

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in the Act now that a scenario is going to occur again? Because what I am looking at is if we looked at the changes from the supervisor of insurance going on to the inspector of insurance, how come the inspector did not pick up, did not alert us, did not alert the Government that listen, something is going on and we should have looked at the overspending. We should have looked at it.

So I am looking at the fact that, yes, we are taking changes that the Central Bank has given us to look at, to consider as part of this Bill, but it was the same Central Bank, I think, who was, or someone there may have been in dereliction of duty where they were not alerted or did not alert us in time to prevent this scenario which caused major problems in the country. And, Madam President, I want to say that when you are looking at the fact that we are looking at even the whole idea of recognizing the blame, once we could get at that point we have to look at the fact that—there is a situation now in the United States when the election is due and there are allegations that there are somehow collusions between insurance companies and political parties, and I have to say—I want to quote the Time, “Campaign Finance: Insurers Give Big to Races Determining Their Regulators”, and in this article, it is by Michael J. Mishak, October 20, 2016:

“…the insurance industry seeks approval from mega-mergers and double-digit rates...

…it is contributing millions of dollars to sway a dozen state races this year...

And falling on this article it says:

The—“insurance industry cash is also following to campaigns for governor” —and governors. And an

“insurance industry has pumped more than...$6 million into political efforts aimed at these dozen races…”

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And this was—

“…according to a Center for Public Integrity analysis of the IRS records and data collected by the National Institute on Money in State Politics.”

Madam President, I am thinking somehow in this Bill we should have had some piece of legislation there preventing insurance companies from giving a political campaign finance, or campaign finance. Somehow in this Bill we had the opportunity to put that in. You see, when this whole debacles came about with Clico, individuals saw the link between—[Interruption]

Madam President: Sen. Deyalsingh, I have to interrupt. I tend to give Senators an opportunity to present the context in which they will make their contribution. So I just need to caution you a little bit. I have given you some time to develop your arguments, but you need to deal with the Bill that is at hand. Okay?

Sen. Dr. V. Deyalsingh: Thank you, Madam President. Madam President, I want to elaborate on the point. I think both—[Interruption]

Madam President: Sen. Deyalsingh, I actually would like you to not elaborate on the point. I would like you to, please, try and make your points with reference to the Bill and to what the Minister indicated as he made his presentation on the Bill. Okay?

Sen. Dr. V. Deyalsingh: I am so guided, Madam President. Madam President, as I looked at this Bill I must say also that I must also reflect the sentiments of Sen. Mark that the Bill was rushed. It was rushed upon us. We had this Bill about two days ago and you know time to prepare for it, it takes a lot out of us, and I am thinking why do we have to rush this Bill? I mean is it that the IMF is here, as the Minister of Finance stated, and we needed to get certain things to at least look good in the appearance of the eye of the IMF? I am thinking that rushing these important pieces of legislation which affects the lives of the people and which
could also affect the rest of the country if bailouts occur and money goes to bail out and not to other elements in society like health, you find that it can affect—this Bill can affect widespread in society, because even the bailout, Madam President, I am saying I had reservations about that.

So I am looking at the Bill, Madam President, and I must say when I looked at this Bill I have to say that the majority—there were some corrections in the Bill, there were things that needed to be corrected, and the Minister said he had these corrections that were made. I looked at the fact that certain clauses of this Bill I looked at—and it was simply a matter of clarifying certain meanings. For instance, when I looked at clause 6, clause 6 actually further clarified the meaning of “control”.

Clause 11 actually looked at the fact that—they actually added on “shareholder” and “acquirer of the company” which I think is something that adds good meaning to this piece of legislation. Clause 11 actually tried to amend section 20 of the Act, Madam President, which clarified further what is insurance business. It actually clarified “business”. Instead of leaving business it actually says “carrying on insurance business”. So all of those are benefits to this piece of legislation.

Another issue I looked at in this Bill is that it had in clause 13, it defined who was an insurer—clause 13 when it amended section 22 of the Act, it defined who was an insurer and it actually looked at the fact that it grandfathered in certain individuals who were selling insurance. So certain individuals who may not have the training to sell insurance and who were there.

3.40 p.m.

I have retired school principals selling insurance, other persons who are selling insurance and some people, as they say, go into real estate. So this Bill
actually took into account that in our economic times, persons may be looking for jobs and I commend that aspect of that Bill also.

The other point I wanted to mention, Madam President, was when I looked at clause 14 and it looked at section 23 and it actually has a part where you are trying now to look at foreign companies and insist that the foreign companies who may have assets outside of the country will now have to be registered in Trinidad and Tobago. Now, I looked at this piece and I said if I am a foreign company and now I have to be registered in Trinidad and Tobago, we know that there is an index, the Ease of Doing Business in Trinidad, and sometimes it is hard to get things and it is hard to register a business/company, it is not that easy, and when you looked at the ease of doing business compared to other countries, sometimes to register a company might take longer than it is needed.

So you know, even if we are trying to encourage foreign persons to come in and set up insurance companies, we have to look at the other parameters which may deter them. And I think yes, I see the benefit of having the foreign companies have local registers so therefore, if they are locally registered, you can now look at their assets and monitor their assets better and ensure that you know, I think it is British American, if there is a collapse elsewhere, at least you would have the local revenue to deal with your population. But I am thinking the benefit is there, yes, to the population, but we have to look at will it deter foreign companies. So we have to look at clause 15 which I think may also do this.

Madam President, I looked at the fact that clause 18, attempting to correct section 30, you know, to amend section 30, we actually looked at the fact that the Export-Import Bank of Trinidad and Tobago may carry on business so we have given an exclusion of the Export-Import Bank of Trinidad and Tobago Limited and I was trying to find out why this was so, why should we not simply change the
rules of the Export-Import Bank of Trinidad and Tobago and let them just do banking and not be into the insurance instead of coming and trying to amend it in this piece of legislation.

Sen. Gopee-Scoon: Thanks. No, I think the Minister was very clear when he was on his feet, that they do have existing insurance clients and that is why it has to continue until arrangements are made to totally exit the insurance business then. It did not need the flexibility that it now allows them. So remember they came out of EXCICO, and EXCICO really meant to export credit insurance, so it is still a feature and therefore it is very important that that exemption be made for them to allow them to operate both activities, the insurance activity and also the rest of the other activities which are to accommodate manufacturers. So it is very important and I just wanted to say that to you.

Sen. Dr. V. Deyalsingh: Thank you. So I guess in the future sometimes, they may be so guided where they may just go into one avenue or they still need to do the both, both insurance and—

Sen. Gopee-Scoon: As it is now, yes.

Sen. Dr. V. Deyalsingh: Okay. Sure. Madam President, I looked at the clause 21 when it looked at section 44 of the Act and the reserve fund, the Catastrophe Reserve Fund, you know, I am looking at that reserve fund and you know, you could withdraw up to more than 120 per cent net of your premium, and I am looking at why that figure, because somehow along the line, I was looking at 150. You know, you are looking at the statutory allowance that you have reserved, which is now called—if it was up to 150 of the assets, why was this bringing down here, this reserve fund, why not leave it at 150 as it was, you know, we looked at that reserve fund? [Crosstalk] Sure.

Madam President: Minister, are you asking to say something to—okay.
Sen. Dr. V. Deyalsingh: I looked at clauses 25, 26, 27, and it actually helped to clarify certain requirements in the Act about controlling shareholders, significant shareholders, and that aspect I think needed clarification and it came in at a time that I think it would have helped us from the original Act that we were trying to pass in 2018.

Madam President, I want to bring one point here that when I am looking at section 55 of the Act. When you look at section 55, it was the fact that you have the ICATT members now being officiated as auditors who are actually bonafide auditors, because we have in the past seen certain situations where persons who are not fully qualified being made to sit in judgment of these companies, and I am thinking this here now would bring into that professional level, and I want to know if, for instance, companies already have a member as an auditor, would they have to now vacate that seat if you are a practicing member in good standing? Will that section now grandfather persons who were already there monitoring other companies?

I want to ask, Madam President, the stamp duties exemption, why was there need to bring in that stamp duty exemption? I just want a little clarification on that. And I think the Minister would have mentioned the Married Persons Act. You know, we are deleting the words “the Married Persons Act”, so I just needed a little factor in that, a little more clarification on why we have deleted those words, “the Married Persons Act” which is in clause 77.

So, Madam President, I would like now to just get a few clarifications on those issues and as it goes now, I would sit and await the conclusion of this Bill. I think it is long overdue. I think the collapse of Clico has raised a lot of questions. I think both Government and Opposition, you know, people may have claimed that they had their people or their links within these insurance companies and I am
thinking, somewhere here, I would have loved to see a level where we can now somehow put in an action there, where any insurance company who may, in the future, want to support any political parties by campaign finance funding, some might think something should be put in there to prevent this.

I also would like to say that if there is a further dereliction of duty in terms of “this is allowed to happen”, we have to know squarely who it is to be able to say, listen, you have allowed this to happen and you know—I want to just quote one article, Madam President:

“CLICO’s Collapse: Poor Corporate Governance”
It is an article by Wayne Soverall, University of the West Indies, and in this article he actually tried to say what action has the Government taken to date and obviously the Government is taking action; what lessons have been learnt and more importantly, how this situation can prevent it from being repeated in the future, and what was the root cause of Clíco’s collapse and what corporate governance structures and practices precipitated the collapse. So this article looks at the fact that we would hate for something like this to happen again and you know, putting this Bill in place and having any sort of corrective measures would go a long way into alleviating the fears of persons who are investing.

Madam President, I lost money in Clico but I invested and I actually invested and I got back some, but the whole idea is, you know, you have to look at this whole Insurance Act and Bill and put things in place where persons would not feel that level of despair and as Sen. Mark said, persons would not look at these companies as just capitalistic giants or Draculas waiting to just take moneys out of people’s pockets.

And as I close, I just want to read one article:

“Inequality Breeds Unrest”

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By Raffique Shah, by November 13, 2011, where he said:

“Here, the enquiry into the collapse of Clico and the HCU has put in the public domain grave disparities in income distribution.”

Madam President, looking at that Commission of Enquiry, we spent millions of dollars, I am thinking it is time it be made public so I could have made a more informed decision on this Bill. I am thinking somewhere along the line, if that was public, that Colman enquiry, I would have been able to say, hey, I could contribute better to this but as it is, the powers that be have prevented it from being out in the public domain but I think as an appeal, we should do that. We have been spending a lot of money in commissions of enquiry and we are not getting our money’s worth out of it. And ending this quote from Raffique Shah’s article, he said:

“When a UWI graduate who remains unemployed (and there are many such youngsters) hears about managers making $5 million a month a more, by dubious, maybe devious, means, how does that person feel? Worse, when the so-called white-collar criminals escape paying for their misdeeds though the complexities of a legal and judicial maze, what message is being sent to the young, qualified, and ambitious?”

I thank you, Madam President. [Desk thumping]

Sen. Taharqa Obika: Thank you very much, Madam President. The insurance services sector, as can be gleaned from, not from the length of this debate which will end unfortunately with my contribution but by its contribution to the gross domestic product of Trinidad and Tobago, is of great importance. It cannot be overstated. The fact that persons, Madam President, submit to the whole notion of a pension fund speaks to the power of insurance in settling the minds of citizens, in settling the hands of companies in their day-to-day transactions and in stabilizing the very economy that we depend on. So insurance is critically important to our
very survival.

Now, what this Bill seeks to amend through its many clauses is the way in which we function in the insurance services sector and there are some key issues and questions that arise in my mind, and to me, the most critical issue I face with this, is that this Bill should have been for the benefit of Members present, because I do not believe any of us are qualified in actuarial science. Therefore, it means that no one present today is qualified in any way of their own experience to verify independently without referring to a secondary authority that the measures that we are seeking to pass by virtue of this legislation will actually be beneficial to the insurance services sector or disadvantageous to the sector.

So that is my first criticism and because we have, in Trinidad and Tobago, the Association of Trinidad and Tobago Insurance Companies who would have, in their advocacy regime, information, research and opportunity to inform all of us, I feel that the information that was presented by ATTIC, using the acronym, to the Minister of Finance should have by right, Madam President, been submitted to each and every legislator present. [Desk thumping] So I want to say that the Minister of Finance has dropped the ball in failing to share with us that which his Ministry was forearmed with, so that we can make proper decisions for the citizens of Trinidad and Tobago. Notwithstanding that, I was forced to lean on my neighbouring profession of finance to provide some level of critical analysis to the legislation that is before us and I want to thank the parliamentary staff for providing me with a physical copy of my speech in case my laptop dies.

So to give an outline of my contribution, the first point would be if we can look at the statutory fund being replaced by capital adequacy. There are no details as to the metrics that will be used to compute the capital adequacy of the insurance companies. Madam President, that is the one string that connects every single
clause in this legislation because capital adequacy will be the yardstick by which
we would measure the integrity of insurance companies and the integrity of the
entire insurance sector in this country, and if we, as legislators, are being asked to
allow a change, to endorse a change that was made in the 2018 legislation, we
should have been apprised of what has been the impact of changes from statutory
funds to measuring and monitoring capital adequacy and I will get to that as I go
into my contribution.

There is an issue of the FSAP, the Financial Sector Assessment Programme
and we will have questions to ask on that. Then the issue of Eximbank and its
importance in providing confidence to the manufacturing sector and the changes
that are made here that impact Eximbank, the ability of foreign entities to register
and do business here and what are the potential risks where that is concerned, and
the Government’s decision to waive thresholds which are important in enterprise-
wide risk management when insurance companies, because of systemic risk issues,
fund Government’s Development Programme and of course, the point raised by the
Minister of Finance about the Inspector of Financial Institutions who has
responsibility for insurance companies, not looking beyond fraud in certain
circumstances.

So, to me, those are the key issues based on clauses 11, 14, 22, 31, 38 and 57
of this Bill that I would seek to interrogate. The Bill has too many clauses
unfortunately to interrogate all, unless I would be granted the time from the other
Members of the Senate but I would not be granted that time so I could only restrict
my contribution to those clauses. Again, I would want to lament that had we, in the
Senate, been provided with the information from ATTIC and whoever else, we
may have had a better quality in terms of the debate.

So I want to go on to the impact on persons. Clause 61, seeks to change—it
removes the seven-year clause for unclaimed funds and there is an issue that insurance agents have with that particular clause because it is unclear. It would be opportune for the Minister of Finance to provide some clarity at this time because if we turn to the explanatory notes on page 11, it says there that it would delete the existing words:

“…‘within seven years after the maturity date of the policy’…”

And it will now read:

“…‘within the time which proceedings may be taken for their recovery’…”

And when you revert to the parent Act and that particular section because that is one section I feel, apart from capital adequacy, that can impact negatively on citizens, policyholders, beneficiaries. For instance, if I were to bring it into the form of an illustration, someone is a beneficiary on a life insurance policy and they were to have claimed the benefit and the time would have passed, the funds would be reverted to the Consolidated Fund, I believe, of the Central Bank, there is a mechanism in the parent Act that allows this beneficiary, even after the seven-year period, provided that they can make a good claim through their insurer, the insurer can make a claim to Central Bank that can provide them with the moneys. The issue that we face now is, now that it is not a seven-year period but you are simply saying “within the time which proceedings may be taken for their recovery”, what does that, in essence, mean?

Because, Madam President, it raises some serious questions. One question is: How long will this period of recovery take? The other question is: Does this have implications for an insurance company who is trying to buy the policies from Clico for instance, and there are benefits that are not claimed by named beneficiaries? Is this an opportunity or is this an attempt to give those who would wish to acquire the assets of Clico, the opportunity to reduce the reserve that they
should hold with Central Bank? That raises a very serious question that if I were to be a conspiracy theorist, Madam President, I would say that there is a sinister plot behind this particular clause but I am not one so I only ask the question.

So that is a big issue I have with a specific clause in the Bill and I think it is up to the Government to provide either clarity through the CPC in reworking that clause or to give better explanation as to what would be the potential fallouts or the potential opportunities for beneficiaries who would be negatively affected to get back moneys that are due to them.

So I want to go on to the statutory fund, Madam President. Now, when you look at the statutory fund and the movement to capital adequacy, there is an issue here and I want to quote from the International Association of Insurance Supervisors in a document entitled:


And basically, what they are saying in this explanatory note regarding reserves is that supervisors must assess key trends in the sector, investment returns, market volatility and reserve adequacy. But when you go to see what their experience is in different markets in how capital adequacy is measured and monitored in insurance companies, it says that stress tests and “what-ifs” and other rules of thumb are applied where more rigorous actuarial and market-based assessments are required.

So for instance, what does that mean, Madam President? Instead of saying well, our insurance company, we manage $10 billion and instead of having proper rigour applied to monitoring what would be the appropriate capital adequacy level, they applied their own mechanism. And therefore, if you have 16 insurance companies in Trinidad and Tobago, what we can find is 16 different ad hoc “what-
ifs” and stress tests and rules of thumb back-of-the-envelope methods of calculating what is the level of capital that is adequate to steer the insurance company to safe waters in times of significant systemic risk, and I am saying that that is unacceptable because this is what is the experience, not only in Trinidad and Tobago, internationally.

So I think the Government should take a second look at providing a better framework for the monitoring and measuring the specific risks regarding capital adequacy in the insurance services sector for the insurance companies because, of course, we would not like to wake up and find one day that an inexperienced fund manager applying their own metrics caused significant risk to damage the integrity of the main insurance service providers in our country, especially where, Madam President, we are requiring the insurance companies who sell insurance in this country, to have their locally registered subsidiaries in place before they can continue to participate in the economy. So what that means is that we can no longer say, well, company A is housed—their head office is in Toronto, New York City or London and we are comfortable with the rigour that is in place in their home market and we are comfortable with the rigour that is in place for their subsidiary in Trinidad and Tobago because there may be some dissonance because you have a local subsidiary that it may be operating on more laissez-faire regulations regarding capital adequacy. So I am saying that the Government should take a second look at that.

And because we are having this conversation with capital adequacy, we want to say, what are the general considerations? This will be the last point that I will make on this issue. The general considerations would be the insurer’s risk profile, the type of insurance that they engage in—whether it be maritime, whether it be life insurance, health insurance, what have you—the regulatory, the economic
environment in which the insurer operates; the timing of the projected cash flows for both assets and liabilities; the fungibility which is the extent to which these resources are easily interchangeable. Now that is “F-U-N-G-I-L-I-T-Y. [Crosstalk] Yeah, I take correction from the Minister, fungibility. You learn a new word every day, today I learnt the pronunciation. So, the fungibility.

So the issue is we need to ensure that capital adequacy, which is the bedrock of the measurement and monitoring of the ability to withstand risks and significant shocks in the insurance sector is reflected in the regulations and brought to Parliament so that legislators understand exactly what they are passing. I will give a simple example as to why as I move off of capital adequacy. In the merchant banking sector versus the commercial banking sector, you have different reserve levels. So if you are a merchant bank, may be 9 per cent, 10 per cent but if you a commercial bank, the reserve may be higher. I stand to be corrected by Members opposite who would know more than me on that matter.

4.10 p.m.

Now, the issue is, there is a different reserve requirement regime for merchant banks versus commercial banks. There is a reason for this. And reason for this is disclosed properly, and it is interrogated and there is opportunity to interrogate it. What I am asking for is that same opportunity to interrogate the metrics used for the insurance sector, as we move forward with amendments to law.

I want to move on to an important point that the Minister of Finance raised. Because the Minister of Finance stated that the Financial Sector Assessment Programme precipitated the earlier tabling of these amendments in Parliament. And I guess there is a joint approach between the IMF and the World Bank with which the IMF is taking the lead. And I want to ask the question, whilst it is
important to be consistent with the regime internationally, I think, after fulfilling the requirements of the IMF, the Government and the Minister of Finance, Madam President, should take the opportunity to return to the Parliament even if by way of personal explanations to give—or a green paper—an account of the roll-out of the amendments to the Insurance Act, because, of course, the insurance sector is very important to us.

I want to turn to the intermediaries and the requirement—some of intermediaries that are not required to register as insurance companies. And whilst that may be consistent with the changes in the law, the issue that I have there is where else would they feature? Because we broadened the catchment for persons who are agents and brokers, added them where there were only sales representatives mentioned in the law. So we are broadening the catchment for persons who are basically interfacing with the public in providing insurance but we are narrowing the regulation for companies that are involved in the insurance value chain, so to speak.

Because, Madam President, when you buy your vehicle you may not go to an insurance company initially when you get your insurance, because it may be provided to you through your finance provider. The company providing you with the loan may have an arrangement with the insurance company. So insurance, the sales aspect of it, is tied up so much in the rest of the financial services sector that, in essence, many persons act as agents, as representatives, that may not necessarily be captured. So, many companies should be captured. Even if they are not insurance providers themselves, they are not the insurers, they are part of the value chain. I am saying there should be some way to capture them in the regulations so that we have best practice across the value chain of the insurance services sector.

And I want to turn to Eximbank, specifically, the removal of the requirement
of Eximbank to be considered an insurer, even though in the hon. Minister of Finance’s piloting of the Bill, he made it clear that insurance was a key part of their business initially, and it may not necessarily be so going forward. But I want to ask the question: Is it that we are saying that we cannot envisage the potential for an export import bank to be providing insurance in the future, for example, credit insurance, export credit insurance, which basically provides the confidence of the manufacturers to enter new markets using the account receivables?

So basically, some companies want to buy steel pans, for example, from Trinidad and Tobago, and they are based in Dubai and Eximbank would facilitate possibly. The issue I am saying, in this hypothetical example, would be: Should the persons at Eximbank, the leadership at Eximbank desire, going forward in their product mix to be involved in the insurance in a more robust way as Trinidad and Tobago manufacturers going to newer markets, as we go into the African markets, as we go into the markets on the Indian subcontinent; these markets that are significant in the Middle East and the Far East, as we go into these new markets where there may be a greater need for export protection for your receivables, are we saying that we cannot see the potential for the Export Import Bank to be heavily involved in export credit insurance, as is done with the Export Import Bank of the United States? So that is a question that I want to ask and I am saying— I am basically making an appeal that it may not be the best time to remove that from the export import bank and keep it there even if it may simply be as a precaution in the event that they wish to go. So what you are doing is you are not constricting the business model of the Export Import Bank of Trinidad and Tobago and you give them the opportunity, a road reserve as we might say when you are constructing a highway, to use it if they feel to. You know? Give them that opportunity.

Now, there is another issue regarding the Bill that has to do with making the
assertion that once companies, foreign companies, operate in Trinidad and Tobago, there may be a better opportunity for them to comply with the regulations and may protect the policyholders and beneficiaries in the country. I want to say that however we do that, we should be careful to ensure that we consider all the possible risks. For example, when a company operates here and its books are separated in such a way, it may mean that policyholders’ beneficiaries here may not have recourse to bigger books of the parent company. So, in essence, here operates as a cash machine for that company, more or less to harvest the savings of citizens and repatriate the profits. So, in doing that, we should be careful to ensure that policyholders and beneficiaries may not be cut off from the extensive savings of these international insurance companies that may be housed in a different jurisdiction.

I want to also, when they are contemplating the regime for that, to get proper advice on issues of translation of winnings, transfer pricing, because the cost model—

Madam President: Sen. Obika, you have five more minutes.

Sen. T. Obika: Okay, thank you. Time went fast. So, to consider the cost model, because international companies tend to have a tendency to front-load the cost, significantly outweigh the cost from head office in the operating expenses, for the subsidiary in Trinidad and Tobago. We do not want to fall prey to that routine international business tactic.

Now, clause 38, Madam President, to me, is the most dangerous clause, in the way in which it was articulated; for the Government to continue to borrow to fund the Development Programme. Unless this new Chamber has made it difficult for me to understand the Minister well, what I understand is happening there is that it is tantamount to the Government increasing waiving the requirement for the
insurance companies to conform to best practice, in terms of enterprise risk management, so that they can simply lend the Government and they give them a five-year hiatus, a five-year window.

**Madam President:** Sen. Obika, my apologies. You have much more time. [	extit{Crosstalk}] Yes, so you can continue and I will give you the five-minute warning, accordingly.

**Sen. T. Obika:** Madam President, can you tell me what time I am required to finish, or how much more time I have?

**Madam President:** At 33 minutes past four. [	extit{Desk thumping}]

**Sen. T. Obika:** Okay, so I will double back a little bit.

**Madam President:** Try and use the extra time wisely, Sen. Obika.

**Sen. T. Obika:** Because I really wanted to talk about the—anyway, so let us speak specifically to this because, Madam President, last year, the Government—and I am watching a trend—increased Treasury Bills to $5 billion, to $7 billion. The Government increased the overdraft to 20 per cent of revenue. The Government significantly increased the level of exposure that banks can put on their books to the Government of Trinidad and Tobago. And now, Madam President, through the seemingly innocuous measures in this Bill, we are seeing in clause 38, the Government is seeking to even borrow significantly more without even a limit in a five-year window, from insurance companies and pension funds. And Madam President, the entire savings of a nation rests peacefully, soberly and prudently in these very pension funds.

Madam President, I want to submit that this is the most reckless amendment I have been privy to in my entire time here in this Senate, and I feel that the Government should remove this amendment entirely from this Bill. If I were to take the words of the Minister of Finance, that this will allow the insurance
companies to fund the Government's development programme, after raising the Treasury Bill limit to $7 billion, the overdraft to 20 per cent of revenue and significantly increasing the exposure that commercial banks can put on their books to the Government of Trinidad and Tobago, why would you—and borrowing more from the Andean Development Bank, maxing the amount required based on the agreement—how much more can you be willing to borrow for development programme? How much more?

What this is doing, Madam President, this is a reversal of savings. This clause 38, is a reversal of savings clause, because insurance and the pension funds represent the savings of our nation. It is from your savings, as a nation, that you measure risk. I will give an example of what that means. An individual and a family who has attained significant levels of savings can do much more, can plan for a more long-term development programme as a family, than one who has depleted or limited savings or savings that the majority of it is encumbered by debt. What the Government is seeking to do, Madam President, through this clause, is to surreptitiously, to quietly, increase significantly the debt of the citizens of Trinidad and Tobago. Madam President, the Government must remove this clause.

There was another serious clause I heard today, the explanation for which the Minister of Finance articulated, and that had to with clause 57. And I am not sure if I heard the Minister right. So I want to repeat what I interpreted the Minister to say. I am paraphrasing now, and if I am incorrect, the hon. Minister can let me know if I am on the right path or the wrong path. The Minister, in clause 57 or thereabout, was saying that the inspector can only send compliance directions regarding fraud. And I want to ask the question: Where else can the—and in completing an audit, in conducting an audit. I am asking the question if—maybe it may be covered in another clause, but I am asking the question: In conducting an
audit, can the inspector provide directions for issues of drug trafficking, human trafficking, explaining your wealth issues, misappropriation of state funds, misconduct in public office, theft, extortion? The question I want answered is: Where can we find those, if not here? And if we are circumscribing the inspector simply to matters pertaining to fraud, why not these other matters, if it is not included somewhere else for the public's edification?

So, Madam President, there were some other issues regarding this. I want to say the statutory fund had a mechanism of one to one basically, assets to liabilities. What exactly would be the mechanism for the capital adequacy? I would like the hon. Minister to submit as well, what were the specific conditions, notwithstanding the amendments that are in front us, what were the specific conditions of the IMF in the Financial Sector Assessment Programme? What are the specific conditions that he is required to fulfill? So that, in looking at the amendments to the legislation, we could determine which are superfluous and which are necessary. We need to know that information.

Madam President, the Minister of Finance, this is part of public record, made an assertion that nearly TT$100 billion represents the combined assets of the insurance and pension sector, nearly 100 billion, 99.1 billion. And the Minister said that just more than one-third of that— so over $33 billion accrues to the Government of Trinidad and Tobago. I want to ask the Minister the question: Since we are being asked to approve clause 38, if the Government finds it difficult to walk away from that clause that allows them to increase our indebtedness, to borrow more on the pension funds of the country to support development programme, I want the hon. Minister to indicate what per cent of this 99.1 billion, because we at 33 per cent now that is due to the Government, what per cent of this 99 billion is the target threshold that this clause will facilitate? What per cent of it?
Would it be 50 per cent? Would it be 40 per cent? Because I am sure you would not be making such amendments in a vacuum. There must be some metric that guides it.

Madam President: Sen. Obika, you now really have five minutes left.

Sen. T. Obika: Thank you, Madam President. So, Madam President, I looked at the aim of harmonizing the Insurance Act with the Financial Institutions Act and there was an issue with speaking to control and treatment of credit exposure. And because I would have liked to see—in the explanatory notes there was some mention made of capital adequacy and solvency requirements and credit exposures—I would like if the hon. Minister could indicate what would be the specific treatment for mortgage bank securities and credit exposures in the local context and international context.

Because just as you could have threshold standard for Government exposure, what would be the thresholds for these types of derivatives, which are becoming more popular in our domestic market, as developers find creative ways to get funding, low-cost funding, which we get from a mortgage bank savings instrument? What would be the thresholds that would be applied to companies in the financial service sector, pension fund managers, and so on, in engaging in these types of securities? Because many trade unions and credit unions and banks target this aspect, especially when they try to build homes for their members. What would be the threshold limits so that they can advise Treasury managers and risk managers in financial institutions?

And on a closing note, Madam President, I would like the hon. Minister to indicate specifically: What has been the experience with the Catastrophe Reserve Fund, domestically, given that we do not have any information from the Association of Trinidad and Tobago Insurance Companies?
So, in conclusion, insurance is important to us as a country. The clauses in this Bill will cause significant changes to the insurance landscape in the country, and there are significant risks that need to be mitigated against, the most grave of which would be the sector's exposure to Government, because that will significantly impact how they are assessed internationally and how our economy—the integrity of our economy going forward. I thank you, Madam President. [Desk thumping]

Madam President: Hon. Senators, the suspension will now take place and we will return at one minute past five.

4.31 p.m.: Senate suspended.

5.00 p.m.: Sitting resumed.

Sen. Anthony Vieira: [Desk thumping] Thank you, Madam President. I was not planning to speak on this Bill, but after hearing some of the contributions I felt that I should just say something to put on the record. I was not planning to speak because really, we got very little notice about the legislation. In fact, we got a copy of the Bill just day before yesterday, and then the difficulty was exacerbated further, because when I looked on the Revised Laws of Trinidad and Tobago, because this is a 2018/2019 piece of legislation, it was not there either. So, I really do ask the Government to try and do better because this is important legislation, not just the usual crime, but this is legislation that goes to the heart of our financial system. It will affect insurance companies, and most importantly it will affect the public as consumers.

Having said that, given the recent financial crisis, the Clico fiasco and a number of rogue insurance companies, it is quite clear that the insurance sector needs to be regulated. Effective regulation will ensure consumer protection. It maintains insurer solvency, it controls market conduct, it prevents unfair trade
practices and it lays a proper framework for healthy development of the insurance industry among other things, by dealing with the incidences of market failure and imperfections.

The Central Bank is responsible for preserving stability of our financial system and the insurance sector is a major component of the financial system. So it is right and proper that the Central Bank—and we all know that that is a fiercely independent, neutral agency. The Central Bank, a specialized agency, should act as the regulator of this sector. This law will arm the regulator with the tools and procedures needed to guard against market failures and to properly protect consumers. This law will enhance the regulator’s powers of detection and intervention.

You must have a proper registry, you must have a register, because without a proper up-to-date register, furtive companies can slip through. This Bill will mitigate against that possibility by widening the definition of those who will fall under the regulator’s powers, supervisory powers; by saying all those who are engaging in insurance business activities carrying on in Trinidad and Tobago, we are again providing for protection for consumers; by ensuring only fit and proper persons and entities can carry on insurance business in Trinidad and Tobago—whether insurer, assurer, reinsurer or broker, we are protecting consumers. By ensuring that insurers have the sufficient ratio reserves and always hold sufficient capital, we are protecting consumers.

This Bill also seeks to clarify matters when applications for judicial management are made, and it enlarges the powers of the inspector of the insurance sector. For this legislation to be operationalized, insurers will have to fall into line and up their game. We are now going to be arming the inspector with the tools necessary for him or her to carry out their mandate. It will be for the Judiciary to
interpret and determine the constitutionality and the scope of the relevant laws and regulations which will be forthcoming, and then, by applying those laws as needed. And it falls to us as legislators to pass this law and forthcoming regulations made under section 279. The insurance sector and the consumers deserve it.

Insurance regulation and supervision is not static, but must be adapted constantly to changing requirements and economic needs. At the end of the day, it is all about effective, prudential supervision of the sector and ensuring the integrity and stability of the financial system. This legislation is a step towards maintaining confidence in the sector by ensuring it delivers services as promised. I thank you.

[Desk thumping]

The Minister of Finance (Hon. Colm Imbert): [Desk thumping] Thank you very much, Madam President. Madam President, I have had quite a large team with me here today of technocrats and I will therefore endeavour to answer as many questions as I can. I am sure not sure which order to take them in. Let me take the reasonable questions first, so I can then adopt a different approach to the unreasonable questions.

So let us take a look at what Sen. Deyalsingh asked. There was a question from Sen. Deyalsingh with respect to the Catastrophe Reserve Fund, why a 120 per cent minimum premium? Now, in the parent Act, there is a requirement for 150 per cent capital adequacy, but that is the entirety of the insurer’s business, so that there are subsets within various types of insurance. So that the 150 per cent capital adequacy ratio, is specific to all of the insurance business taken together. The Catastrophe Reserve Fund is specific for property insurance business for a general insurer.

The formula for the Catastrophe Reserve Fund is linked to premium income on that block of business, and insurers’ writing property business must contribute
20 per cent of the premium income on the property business to a fund until the fund is equal to or exceeds the net written premium income on the insurer’s property, the insurer’s business for that year. The legislation allows an insurer to withdraw from that fund an amount exceeding 120 per cent of the net premium income in the year withdrawal. The 120 per cent catastrophe fund buffer is to mitigate against any unforeseen risk relating to a catastrophe and anything above that 120 per cent catastrophe fund buffer is released to the company for redeployment in other areas of its business.

So bottom line is that the insurance company must maintain a catastrophe fund which is equal to 120 per cent of its exposure with respect to unforeseen risk for catastrophes, but it can withdraw from its fund anything up to, or anything down to that amount. So it is quite different from the 150 per cent.

Sen. Deyalsingh also asked whether the ordinary person has the ability to reach out to insurers to solve disputes. At clause 67 of the Bill, before the Senate, an amendment is proposed to mandate all insurers to become members of an alternative dispute resolution scheme.

This will allow policyholders—so this is an improvement which facilitates the point that Sen. Deyalsingh made. This is an improvement which will facilitate policyholders being able to solve disputes without having to go to court as their first port of call. So the ADR schemes that are going to become mandatory, policyholders will be able to participate in that. So the first place a policyholder can go to in order to get redress will be to an officially sanctioned ADR scheme and hopefully it will be solved there. Because that is the whole point of alternative dispute resolution that you do not have high-paid lawyers, sometimes you do, but you are not supposed to and really there is an attempt at mediation and an attempt at reaching some sort of compromise. So yes, this now allows policyholders to try
and get a settlement with an insurance company over a dispute or a grievance using ADR rather than going to court.

With respect to the question asked about stamp duty. We are now requiring insurance companies to do two things; if they are foreign, they must now establish a local company. So obviously they will have to place their assets that are associated with their policy liabilities into this company or leave. So that if a foreign company is going to continue to do business, it will have to establish a local company and put into that local company assets that match its liabilities to policyholders plus 50 per cent, the capital adequacy thing.

And, therefore, since we are forcing them to do that, when you have a transfer of assets from one company to another, naturally they will attract stamp duty but it is not fair and equitable to force somebody to establish a local company, put assets into it and then charge them stamp duty on the transfer. So, it was thought equitable to exempt them.

And similarly for conglomerates that have non-bank financial institutions, insurance companies, banks plus supermarkets, real estate companies and whatever equipment rental companies in their group, we are now forcing them to separate, take out, the insurance entities within their group and put it into a financial holding company together with the other financial institutions, whatever banks they may own and so on, so that they sterilize the assets, liabilities and activities of those financial institutions in one company. So again you are going to have a transfer of assets; we are forcing them to do that and that is to protect the public.

So that, as has happened in the past and Clico is a case in point, Clico was taking money that policyholders had paid for insurance and using it for real estate and the real estate market particularly in the United States went belly-up, and therefore Clico lost a lot of money in its real estate projects which it had taken

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from policyholders. So we want to put an end to that. So that we are forcing insurance companies, well, conglomerates that have insurance companies in their group, to put the assets of these companies into a financial holding company so they will not be contaminated by other activities of the group, and since we are forcing them, again they would attract stamp duty so we are exempting them. So it is very simple, it is nothing sinister behind it. So those are the questions asked by Sen. Deyalsingh and then Sen. Vieira, I think, just gave support for what we were doing.

So let me come now to the unreasonable questions and I will start first with Sen. Obika. I blame Sen. Le Hunte, apparently Sen. Le Hunte had some role to play in the education of Sen. Obika. So I—[Interruption] Well, I blame Sen. Le Hunte because the first point that struck me as preposterous was the point made by Sen. Obika about the Eximbank and complaining that we were making an amendment that would not allow the Eximbank to get involved in the insurance business, and then went into some long “explatiation” about they should be allowed to do insurance for exporters, one long “explatiation”.

The Bill does not do that. Through you, Madam President, it does no such thing. What the Bill does is allows Eximbank to continue providing insurance business, because with this new law and this Bill, insurance companies will not be allowed to get involved in the other activities that Eximbank is now involved in. So this is to protect the ability of the Eximbank to continue to provide insurance, it is the complete opposite of what Sen. Obika said, Madam President. So I blame Sen. Le Hunte for that.

In addition, we were treated to a long fulmination from Sen. Mark in his usual style, carrying on about Alignvest screaming as usual blaming the Government of selling out Sagicor to Alignvest, complete absurdity. Sagicor is
listed on the stock exchange. It is publicly traded. Alignvest bought shares on the stock exchange of Sagicor, the Government had nothing to do with it. There was no role for the Minister of Finance. The Minister of Finance did not have to approve that. It is a publicly traded company. So Alignvest approached persons who held shares in Sagicor and asked them to sell them their shares and they did in accordance with the rules of the stock exchange and that is the end of that.

So that there was no and could not be any government policy, or government role in the purchase by Alignvest of shares in Sagicor, and in any event they did not get majority control, they only got 30 per cent. I am told that Sagicor is owned approximately 45 per cent by a wide group of investors in Trinidad and Tobago and abroad, thousands of people have 45 to 46 per cent in Sagicor, in the shares. JMMB owns about 20 per cent and the remainder is owned by Alignvest, and Alignvest itself is not an entity it is a group of investors that came together, it is an investment scheme where a group of people have come together. About eight substantial people have come and bought on aggregate about 30, a little over 30 per cent of the shares in Sagicor.

So it is 30 plus these eight investors in Alignvest, 20-plus in JMMB and 45/46 per cent is the wider public. So Alignvest does not control Sagicor, we did not sell out Sagicor, we could not sell out Sagicor, we had no role in it whatsoever. It is the usual fulmination of Sen. Mark, just putting all sorts of inaccurate information, wrong information, bad information into the public domain, into the Senate trying to mislead people and trying to accuse the Government of being involved in some conspiracy.

With respect to the other matters raised by Sen. Mark, he was complaining that the Bill allows the Central Bank to impose conditions on the registration of insurers and give directions it considers necessary in relation to the plan and he
thought that was too broad. Apart from the fact that the clause must be read in conjunction with the various preceding sections regarding capital requirements, what we are doing here, previously—and it needs to be said—general insurance companies, previously, were only required to hold $1 million in cash as a buffer against a run on the company, $1 million, and life insurance companies, $3 million, that is the old 1980 Act. So can you imagine a company like Clico with billions of dollars of policyholders’ premiums in its possession only being required to hold $3 million of capital?

So that we have to allow the Central Bank now to manage the transition from that ridiculous situation where a life insurance company is only required to hold $3 million to the new paradigm where we bring in this whole concept of capital adequacy and that is why it is necessary to allow the Central Bank to impose conditions that it considers to be necessary. You have to allow somebody; it is the regulator. So you have to give the Central Bank this power to impose conditions that it considers necessary with respect to capital adequacy. I mean, do we want another Clico? So I do not understand how on earth Sen. Mark could complain that the powers being given to the Central Bank are too broad. And you know, when I listen to the Opposition I just wonder what is going on? In one breath they say you should do this and in the next breath they say you should something which is completely contradictory. So I am sorry, I cannot accept any of the points made by Sen. Mark.

There was another point made by Sen. Obika, where he was upset about clause 38. Now, the insurance companies have been beating a path to the door of the Ministry of Finance to invite proposals for long-term financing for government development. Insurance companies have a 20-year horizon and the safest investment in Trinidad and Tobago is the Government of Trinidad and Tobago.
There is no safer investment than the Government of Trinidad and Tobago. And, therefore, the insurance companies who hold pension funds which are 15/20-year plans, want to get a safe place to invest the funds that people have entrusted to them and they also want to get the best return on their money.

This is why when we launched the National Investment Fund, we were oversubscribed by 85 per cent, especially in the 20-year series of the NIF bonds because the interest rate we were offering was 6.6 per cent. There is no other investment in Trinidad and Tobago where an insurance company could get a guaranteed return of 6.6 per cent for 20 years. And therefore, it is the complete opposite, Madam President, of what Sen. Obika is saying. It is in the public interest to allow insurance companies to enter into long-term financing arrangements by way of bond issues or otherwise with the Government. As I said the Government is the safest bet in town.

And therefore, the insurance companies have come to us because they realize they will get better yields, better security, they can plan with a 20-year horizon if they do business with the Government. So this clause is intended to improve the return in pension funds, because some pensions are now giving 2 and 3 per cent. But if you can invest with the Government and get 5 per cent/6 per cent, then the pensioners will be much better off. Because if, for example, there is surplus on a pension fund, in many pension funds the surplus is divided among the beneficiaries of the pension plan.

So that the idea of allowing insurance companies to invest in government borrowings is not bad, it is good. And that is why when I listen to Members opposite I wonder what they are talking about. Because next week I am sure Sen. Obika will complain that we are not allowing pension funds opportunities to invest in securities that would give the best return to the citizens of Trinidad and Tobago.
This is what I have to listen to, it is ridiculous.

So, Madam President, I also want to apologize to all Senators and let me explain why we are here today. We were not aware that the transition from the Waterfront to the “Seat of Parliament” would be such a complicated and time-consuming move; it was. I mean you have all the documents were over in the Waterfront, all of the systems and so on had to be transferred intact from the Waterfront to here. Then this building itself had to be completed and ready for hon. Senators and other Members of the other place. It took a while. And therefore, the Parliament was suspended a little earlier in December around the middle of the month, sometimes, I have been in a debate on the 22\textsuperscript{nd} of December myself, but that was under other oppressive governments; we do not do that. But normally we would run down to around the 20\textsuperscript{th} of December.

So the Parliament was suspended around the 15\textsuperscript{th} or so, and then the opening of the Red House was set for the 24\textsuperscript{th} so there was a hiatus there. Normally the Parliament would have resumed in the first or second week in January. So we had a little problem. So the first problem that came at us is that we had to complete the closing of the accounts for fiscal 2019 which had to be done by January 31\textsuperscript{st}. So the first order of business in the reopening of the Red House was the closing of the accounts. So normally, in the normal way with this matter, this Bill would have come long ago, you would have been given notice and so on. I apologize for that.

But in addition there was another complication. The Central Bank had invited the World Bank, a joint mission from the World Bank and the IMF to come and look at our financial services sector, as I indicated, insurance companies, banks of all types, credit unions, Unit Trust, et cetera, look at our mutual fund industry and that sort of thing. They had invited the World Bank, IMF to come and do an assessment of the sector and to advise us on what we need to do to improve the
sector and also bring it up to standard in terms of best practice.

And the Central Bank had not catered for this long hiatus as well, because they were working on the amendments. Remember, this Bill is amendments recommended by the Central Bank. So they had not catered for this long hiatus, this long delay, from the 15th of December right down to February, before we could treat with this. So that we became aware of this a couple of weeks ago, and the dates for the visit from the World Bank team, IMF team were already fixed, those could not be changed. And they had already told us that the non-proclamation of the Insurance Act is a problem, because we are dealing with archaic legislation from 1980 and that we really needed to get it done and this is why we find ourselves under a bit of pressure here today.

The team I think left yesterday, they were very happy that the matter was passed in the other place without any problems and very pleased to learn it was on the Order Paper today. So they would not have to put into their report that we were being delinquent and dragging our feet. Remember this Insurance Bill has been around for eight years and in fact they were asking me why do these things take so long? Why? Why do simple little things take so long? I could not answer them. But I know that there have been attempts to get this Insurance Bill going since 2011, nine years, three of them previously failed as I told you. So I apologize for that and that is why we ask you to come here today at short notice and unfortunately could not give you the kind of time that you needed for mature reflection on these important amendments. But I thank everyone for their contributions, even the misguided contributions from the Opposition, except Sen. Mark, and I beg to move. [Desk thumping]

*Question put and agreed to.*

*Bill accordingly read a second time.*

UNREVISED
Bill committed to a committee of the whole Senate.

Senate in committee.

5.30 p.m.

Madam Chairman: Hon. Senators, I will remind you that this Bill has 82 clauses. I intend to treat the clauses in groups. If you want to raise an issue in respect of a clause please let me know promptly.

Clauses 1 to 20 ordered to stand part of the Bill

Clauses 21 to 30.

Question proposed: That clauses 21 to 30 stand part of the Bill.

Sen. Dr. Dillon-Remy: Madam President, there is a—clause 30.

“(7) The directors of any company affected by a scheme of transfer approved by the Central Bank or the Minister shall cause a copy of the scheme to be filled…”

—or “filed”?

Mr. Imbert: That was a typo that was picked up in the other place and it was sorted out.

Sen. Dr. Dillon-Remy: Okay.

Mr. Imbert: Unfortunately you got the original version of the Bill because of time constraints. Sorry about that.

Question put and agreed to.

Clauses 21 to 30 ordered to stand part of the Bill.

Clauses 31 to 40 ordered to stand part of the Bill.

Clauses 41 to 50.

Question proposed: That clauses 41 to 50 stand part of the Bill.

Madam Chairman: Sen. Obika.

Sen. Obika: Thank you, sorry, I am in the wrong clause.
Question put and agreed to.
Clauses 41 to 50 ordered to stand part of the Bill.
Clauses 51 to 60 ordered to stand part of the Bill.
Clauses 61 to 70.

Question proposed: That clauses 61 to 70 stand part of the Bill.

Sen. Obika: Thanks, Madam Chair, I did not see the clarification coming in the debate, so I would like to know if the Minister can give a clarification regarding the change from “seven years” in clause 61, “after maturity date of the policy” to “within the time which proceedings would be taken for their recovery”.

Mr. Imbert: Yes, that was a bit remiss of me, I must admit. The reason is that the period during which someone may take action is uncertain. Particularly with respect to the Limitation of Certain Actions Act, the normal period is four years, but then you have an element of discovery and in fact have been a ruling by our Court of Appeal, which I think is not yet determined by the Privy Council with respect to discovery, when do you get the opportunity to discover when there is a cause of action? And therefore, it was felt it was better law to limit this to the time available for proceedings to be taken. Because even though the seven years remains, it may still prevent a person from dealing with it, because they maybe outside of the limitation period.

Sen. Obika: Madam Chair, the question then I have is, I think in the parent Act and that similar section, there is a part where it goes back to the Consolidated Fund. The benefit to the beneficiary would go to the Consolidated Fund, and then the insurer when they discover who beneficiary is and they come forward, the insurer can make a case to Central Bank to have it released to them. If, the question I would have is, how would that fit?

Mr. Imbert: That is not being changed.
Sen. Obika: That is not being changed?

Mr. Imbert: That is not being changed.


Mr. Imbert: What we are looking at is making it consistent with existing law so that—it may be beyond seven years you know. It all depends on the circumstances. It is just when proceedings can be brought. So it was felt it was better, tighter, as better law than say, seven years. Because it might happen in the eighth year and there may be a problem, you follow? But they may still be able to recover it because they discovered it three years before the eighth year. For example, I am giving an example.

Sen. Obika: The last question, the technical issue now is, does that impact the reserves that the insurance company may have to hold, if things could be removed from the books because of this period where proceedings could be brought. Simply just for clarification for the self that payment to beneficiary is a liability in itself.

Mr. Imbert: The clarification I am getting is that those funds go the Central Bank so that the liability is no longer on your books because it is unclaimed. Okay?

Sen. Deonarine: Thank you, Madam Chair. Through you, Madam Chair, Minister of Finance, I too need some further clarification on clause 61. And it was brought to my intention from members of the insurance industry, the Trinidad and Tobago Association of Insurance and Financial Advisors, the president as a matter of fact, and they too wanted to know what the reason is for the seven-year stipulation. And the reason they ask that is because they have instances where they have clients who would have been murdered, and their claims have not—they cannot claim yet because the murders have been—a body was not found in some instances, and it is under investigation, under forensics. So, in situations like that, what this removal of the seven years would mean? If the case is completed let us say in ten years’
time, at that point in time would the family member of that person be able to claim that money?

Mr. Imbert: Actually, first let me just clarify. Insurers would receive legal advice on when a claim becomes legally payable and the time frame within which a policyholder can initiate proceedings for recovery. It depends on the circumstances of the case. It would be different for every single case. There are circumstances that postpone the running of time under the Limitation of Certain Actions Act, so a one size fits all, the seven years, is not legally appropriate. In fact, taking the case you are talking about, who is going to claim for that? It is going to be the legal personal representative of the person, or the executor of the estate, and so on. And certainly, if you left it at seven years if the matter is sorted out ten years later, they would be ineligible. But in this case we are now giving them protection, because they can now go beyond the seven years in certain circumstances and apply for the money. So this gives them more protection than less. Okay?

Sen. Deonarine: Thanks for the clarification.

Mr. Imbert: Sure.

Sen. Deonarine: Madam Chair, I have one more area under clause 65, because I know we are taking them in batches. The change—the amendment in clause 65 is saying that how the association of underwriters to furnish the inspector with a statement of income and expenses of its members. What does that clearly mean? Is it that they need to submit a statement of income and expenses to the various associations, or do they have to submit it to the Central Bank directly?

Mr. Imbert: I am told it is just a change in terminology, it does not change the effect. It is just changing the words “receipt in expenditure” to “income and expenses” which is just a more modern terminology.

Sen. Deonarine: So, they continue to submit the income and expenses in the same
manner in which they currently do?

Mr. Imbert: Well “income and expenditure” would now replace “receipts and expenditure”.


Mr. Imbert: Okay? So it is just a change in terminology nomenclature.

Sen. Deonarine: Okay, thank you.

Sen. Vieira: Just to Sen. Deonarine’s question about the missing bodies, well again, there are procedures in court where you can go and ask for the court to have the person presumed dead. And in a lot of these instances you would go to the court and seek necessary declarations whether you are in an insurance company or independent. So, sometimes it is not too wise to over legislate but to leave these things for the court to determine.

Mr. Imbert: Better to now change it to “the time within which proceedings can be taken” rather than have a seven year cut off. That could actually disqualify quite a lot of people.

Sen. Obika: One burning last question, Madam President, is this. If for instance, let us say—

Madam Chairman: Clause, Sen. Obika?

Sen. Obika: Sorry, clause 61. If for instance someone is the intended beneficiary of a life insurance payout, they are not found within the seven-year period, so there is no issue regarding matters pending, processing or anything like that. They just are not found. Because there is no seven year limit in the law now, when would the insurance company be required to surrender these funds to the Consolidated Fund via Central Bank?

Mr. Imbert: Firstly, someone dead cannot be the beneficiary of an insurance policy.
Sen. Obika: No, sorry, a beneficiary of a life insurance payout. So let us say they were the named beneficiary.

Mr. Imbert: Well again—just one second. What I am told is that it will all be on a case by case basis, so once the time that court proceedings can be brought has expired, the unclaimed money would be sent to the Central Bank. I do not know if that answers your question.

Sen. Obika: But since we are moving the “seven years”, what time will that be?

Mr. Imbert: It depends, some will be five years, some will be ten years, it depends on how the limitation period applies. So there is—you see, if you make it seven then a lot of people can get left out. So, it is the way the various laws will apply will create the period at which time a person cannot be found, the limitation period has expired, it goes to the Central Bank, okay?

Sen. Sobers: Thank you, Madam Chair, through you. Minister of Finance, this is because in speaking to Sen. Obika as well too, I am fully aware of a matter wherein the policyholder would have passed. The circumstances surrounding the death was questionable and an inquest was ordered. The inquest has not even begun and we are in I think the eleventh or twelfth year. So that, based upon this, I actually understand that you will be preserving the time frame, but then at what juncture, where would that money be now. Would it be that it would have already paid into the Consolidation Fund, or is it a situation where hopefully when this matter is resolved, the beneficiary would now have to go to the insurance company and they would sort them out?

Mr. Imbert: That particular case, let us assume that the person died of natural causes, okay, or an accident or something. In other words they were not murdered. The time for the person taking proceedings would naturally have to be when that process is completed. Okay?
Sen. Hosein: Minister, based on that last—sorry, Madam Chairman.

Madam Chairman: Yes, go ahead.

Sen. Hosein: Based on that last answer you gave Minister, with respect to what Sen. Sobers asked, is it that time starts running from—well clarify that for me then, when does time start running? When does the seven-year period start running?

Mr. Imbert: There is no seven-year period anymore. We are taking it out.

Sen. Hosein: Sorry. So time starts running from the time—because within section 197—I will get back to you. If the seven-year period is not there any longer, we do not have that issue of limitation anymore?

Mr. Imbert: No. If it is a straightforward matter the four-year limitation period naturally applies. If it is not a straightforward matter—

Sen. Hosein: Four years for just torts and contracts?

Mr. Imbert: The person makes a claim. An insurance policy is a contract, okay? So the person makes a claim and if it is straightforward, then the limitation—and they do not go to court within a four year period, this is a cut and dry matter, there is no missing body, there is no murdered person, there is no inquest taking place, there is no trial taking place, it is cut and dried, the limitation would be four years. If it is not, and you have to wait on completion of other proceedings in another place of competent jurisdiction like a court, then it starts to run after that matter is settled. It is no time period, it is all on a case by case basis.

Sen. Hosein: Okay.

Mr. Imbert: You good now?

Question put and agreed to.

Clauses 61 to 70 ordered to stand part of the Bill.

Clauses 71 to 82.

Question proposed: That Clauses 71 to 82 now stand part of the Bill.
Madam Chairman: Yes, Sen. Mark.

Sen. Mark: Madam Chairman, clause 75(2), I would like to suggest for the Minister’s consideration because of the sweeping provisions under the proposed new regulations, if the Minister would be inclined to substitute “negative” remove “negative resolution”.

Mr. Imbert: Which clause in the Bill you are talking about?

Sen. Mark: That is 75.

Mr. Imbert: I know, but which subclause?

Sen. Mark: (2) under Regulations. It starts off by “(2) Regulations made under subsection (1)”

Mr. Imbert: But is it not already like that?

Sen. Mark: Well, I do not know, I have an old Bill, so you might have a different Bill to me. But it is 75(2), Madam Chair. You are following me?

Madam Chairman: 279, Minister.

Mr. Imbert: I am just checking the parent Act.

Madam Chairman: Yes.

Mr. Imbert: Okay, that was the old one. But in any event, these regulations are highly complex. They are like the civil aviation regulations of a highly technical nature and therefore the practice is in those situations to make them subject to negative resolution.

Sen. Mark: Well what you had in the—

Mr. Imbert: I am looking.

Sen. Mark: Okay, okay.

Mr. Imbert: The previous, the Insurance Act?

Sen. Mark: Yeah.

Mr. Imbert: Were you a member of any joint select committees? You did debate
this right? You were not here?

Sen. Mark: I was not proposed to be part of any of those joint—

Mr. Imbert: When we passed the Insurance Act 2018, you were in the Senate?

Sen. Mark: Of course I was.

Mr. Imbert: You voted for it right?

Sen. Mark: Of course I did.

Mr. Imbert: Thank you. This is what you voted for.

“279(2) Regulations made under this Act shall be subject to negative resolution of Parliament”.

Sen. Mark: Only dead people “doh” change their minds, you know.

Mr. Imbert: That is all right, I just wanted to update you.

Sen. Mark: I am not dead, I am alive.

Mr. Imbert: I wanted to update your records and the reason why, there were good reasons and this is why you supported it then. And I would hope you support it now. Because of the highly complex nature as—the one that really is similar is the Civil Aviation Regulations which they do every six months. And I mean we are in a transition period, these Regulations become fast and furious. And therefore, to spend Parliamentary time debating matters of a technical nature, I do not think it is productive. And this is why when we debated this before in your presence with your support, it was subject to negative resolution.

Sen. Mark: May I suggest for your consideration again, the same wording that we have in 279(2) we put it in this section, so in the event that constitutional rights are infringed, it will be subject to an affirmative resolution. So we have negative but you have the qualifiers.

Mr. Imbert: That is—what shall I say?—a lacuna in the existing Act, because you cannot affect constitutional rights by regulation. Subsidiary legislation that we are
correcting an error, subsidiary legislation cannot affect constitutional rights. You have to bring an Act of Parliament to do that. So even though it said that that was a nonsense. Okay, so we are correcting that.

Sen. Mark: But I still maintain Mr. Minister that we should consider positive.

Mr. Imbert: So you want to spend a lot of time—

Sen. Mark: Well this is what I am here for, I signed up for that.

Mr. Imbert: Okay, but last time we debated this you agreed to negative, okay.

Sen. Mark: Yes, of course.

Mr. Imbert: Well okay then, I would like to leave it as negative.

Madam Chairman: Sen. Mark?

    Question put and agreed to.

    Clauses 71 to 82 ordered to stand part of the Bill.

    Question put: That the Bill be reported to the Senate.

Sen. Thompson-Ahye: Madam Chair, I had a word earlier on with the Hon. Minister in respect of a section which does not form part of the Bill. But what I have observed with this Bill is there is a lot of the tidying up of errors and grammar and so on, but—

Madam Chairman: Sen. Thompson-Ahye may I just interrupt for one second? Can you just advise what clause you are on?


Madam Chairman: Clause 2?

Se. Thompson-Ahye: No, no, no, it is not a clause.

Madam Chairman: It is not?

Sen. Thompson-Ahye: It is not a clause so that is why I said to him, right now what we are doing is tidying up the Insurance Act, and there is a section of the Act that I am not happy with, which is section 2 which I think could be improved. So, I
say while we are here now, perhaps we can deal with that if it is agreed.

Mr. Imbert: All right, what I am picking up here is that this is a not a clause in the Bill but you think that we could amend section 2 even though that is not—

Sen. Thompson-Ahye: To whom it applies, to whom this Act applies, or to which—

Mr. Imbert: Section 2, yeah, applicability. You are of the view that we could improve the parent Act by including an amendment to section 2, although it does not form part of the Bill.

Sen. Thompson-Ahye: Let me—perhaps I can explain. Yes.

Mr. Imbert: Go ahead.

Sen. Thompson-Ahye: All right. Section 2 says “the Act applies to all persons whether or not established or resident in Trinidad and Tobago that carry on insurance business in Trinidad and Tobago”

So I have a difficulty with saying that a person is established when normally one says, in all of the legislation I have looked at, the company is established. So if we could just change that.

Madam Chairman: Minister. Sen. Thompson-Ahye, I think you may have heard me made similar rulings in previous matters. The fact of the matter is that particular section of the parent Act does not fall part of this Bill, so I have ruled before that therefore, it is not relevant to the matter at hand, and therefore, perhaps the Minister and his technocrats can take a look at that and at another time deal with it. Perhaps in some other Bill as a miscellaneous. I do not want to advise the Minister but it is not something that we should treat with now, and I have made similar rulings before on this. Yes


Mr. Imbert: Can I speak at all?
Madam Chairman: Just to note, Minister, what I have said and just let Sen. Thompson-Ahye know that you would take it into consideration.

Mr. Imbert: I fully concur with your ruling. I just wanted to explain and of course we will be coming in the future with amendments to this legislation, because as we implement it I am sure the need will arise to make amendments. So there will be amendments in the future. But just to advise that the word “person” there means both natural person and body corporate. So it is not just a natural person, it is a body corporate, and therefore that is why the word “established” is used, because it applies to the other definition of “person” which is a body corporate. But we will be bringing amendments in due course and we can always take a third look at that all though I think I am on the right track.

Madam Chairman: Sen. Thompson-Ahye, you said something, sorry?

Sen. Thompson-Ahye: No, I will speak to him in the interim, what I have seen done in three other pieces of legislation, how it is worded.

Mr. Imbert: No problem at all.


Mr. Imbert: As I said, we are quite happy to take a third look at that and we can incorporate any required amendments that next amendment Bill we will bring on this Act.

Madam Chairman: Sen. Deyalsingh, you wanted to raise an issue?

Sen. Dr. Deyalsingh: Madam President through you to the Minister. I just wanted to find out, clause 12, section 21 of the Act. In that part B we are looking at certain words you could use when you are having any trade or business, or carrying on any trade or business. And I see here B, (a), “‘insurance’, ‘assurance’, ‘reassurance’”, or any of their derivatives, and (b) “‘indemnity’, ‘guarantee’, ‘underwriting’, ‘surety’” and “‘casualty’”. The word “casualty” I am looking at. Sometimes in the
medical term we have a business casualty department, casualty hospital, casualty doctors. Is that word—does it mean that if someone who has a medical hospital or wants to put in that word they have to go through this Companies Act looking at this—looking into this Bill.

Madam Chairman: Minister before you respond please just so that we can get a little order in the committee. Sen. Deyalsingh, we have long passed clause 12, we are actually now closing off the committee stage to report to the Senate. So I would ask the Minister to just take note of your comment for future reference. Okay.

Question put and agreed to: That the Bill be reported to the Senate.

Senate resumed.

Madam President: Minister of Finance.

Hon. C. Imbert: Thank you, Madam President. I wish to report a Bill entitled an Act to amend the Insurance Act, 2018 was considered very peacefully in committee of the whole and approved without amendments. I now beg to move that the Senate agree with the committee’s report.

Question put and agreed to.

Bill reported, without amendment, read the third time and passed.

6.00 p.m.

ADJOURNMENT

The Ministry of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, I beg to move that this Senate do now adjourn to Tuesday, February 11th at 1.30 p.m. During that sitting, we will be debating the Interception of Communications (Amdt.) Bill, first tabled in this place yesterday.

Madam President: Hon. Senators, before I put the question on the adjournment, leave has been granted for two matters to be raised. Sen. Mark.
Sen. Wade Mark: Thank you, Madam President. Madam President, the matter, the first matter deals with the growing concern by key stakeholders in this country’s industry, particularly located at Point Lisas, as it relates to higher gas prices which has been set by the National Gas Company. Now, Madam President, Trinidad and Tobago today is faced, not only with a natural gas shortfall, but the dragon has been caged, so there is no dance as it relates to gas coming out of Venezuela any longer. So we have this shortfall in gas supply and because of that situation, Madam President, main or critical players at the Point Lisas Estate, as an example, are having great difficulty in having their long-term contracts with the National Gas Company properly settled.

We are also faced with a situation in which the Government went ahead—in spite of what the Minister of Energy and Energy Industries might want to say on this matter—the Government proceeded to negotiate new gas prices with the major upstreamers, namely, EOG, Shell Trinidad and Tobago Limited and, of course, bp. Now, Madam President, with those new gas prices, which saw these upstreamers putting a lot of pressure on the Government, and a team went to Houston, Texas, negotiated and wedded NGC to a new gas pricing formula, resulting in what we have today in NGC being called upon by these upstreamers to pay higher prices for natural gas. And, as you know, Madam President, NGC is an aggregator. They buy gas from these majors, as they are called, and they then sell gas to the downstreamers, whether they are at the Point Lisas Estate or other parts of this country. As a result of that development, Madam President, there is growing disquiet, there is growing concern, as it relates to the competitiveness of our key industries at Point Lisas, for example. So there are many industries there that have
threatened to close down or to move elsewhere if they cannot get a fair price for their input, which critically is natural gas as a feedstock for their operations.

So the question here is, is the Government prepared, Madam President, to sit with these oil majors who, according to Poten & Partners, fleeced Trinidad and Tobago of close to $100 billion in a period of, I would say, seven years—2011, 2012 to 2016, 2017, Madam President, because of the under-pricing of their sale of natural gas on the open market? Selling it for one price and telling us they are selling it for another price, and we lost, as a nation, through that process. These are the same majors who the Government, led by the Prime Minister and the former Minister of Communications, now the Minister of National Security, they negotiated with them, these majors, in order to get and arrive at these new prices.

The OWTU recently made a statement that the Government should consider, Madam President, renegotiating this gas price with these majors, because the hon. Minister of Energy and Energy Industries knows about this whole question, because the Government renegotiated a number of contracts, because the whole Spotlight on Energy that was held some time ago, Madam President, was all designed for the Government based on what they claimed, that we had gotten a bad deal, Trinidad and Tobago, and they had to sit with these people and get a better deal. Just only today the Minister said they had a new formula for Shell, new terms. So the question that I am asking, Madam President, if the Government negotiated a bad deal, if the Government was under pressure at the material time when they sat with EOG, Shell as well as bp, Madam President, can the Government not admit that they negotiated a bad deal for Trinidad and Tobago and we are now paying a very high price for that bad deal? And can the Government take a decision, Madam President, to sit with these gas majors and renegotiate a contract for the price of gas that is more acceptable and reasonable and fair for the
industry in this country and for the taxpayers of T&T?

So this is why I have raised this matter because, Madam President, there are implications for the Trinidad and Tobago economy if we do not have a proper negotiated pricing arrangement with these upstreamers. We may have, Madam President—I am not wishing anything, Madam President, negative—but you may have industries going elsewhere where the prices are more competitive and the prices are fairer. You may have industries being relocated. Madam President, that could have implication for employment opportunities, it could have implications for foreign exchange, et cetera, not to talk about taxes and other benefits.

So I raise this matter today, Madam President, to ask the Minister of Energy and Energy Industries, in light of growing concerns over that bad gas deal that they negotiated with these majors, if they would be willing, Madam President, to renegotiate that particular arrangement. Thank you very much, Madam President.[Desk thumping]

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Madam President. Madam President, the hon. Sen. Wade Mark continues to try, unsuccessfully for the last year and a half, to pin the gas price negotiation that took place between the NGC and the upstreamers to the hon. Prime Minister and Minister Young. Again, he has failed to raise any convincing argument in that regard. Having said that, as a responsible Government and as a responsible Minister of Energy and Energy Industries, who monitors the international energy scenario with my staff and with the help of all the stakeholders in the industry, we are aware of the changing circumstances in the gas sector.

The United States has a surplus of natural gas at this point in time. As I mentioned yesterday, Trinidad and Tobago was the largest exporter of LNG to the US when we built Train 1. All that gas went to Boston. Today, there was a talk
delivered by the US Deputy Under Secretary of Energy at the Energy Conference on Tuesday, and he showed us the tremendous capacity of gas in North America, in particular—but North America in general, but in particular, the United States. So that has caused a depressed market price for natural gas primarily in the United States and surrounding areas, which is pegged to Henry Hub.

I explained, again, earlier today in this sitting, how the new basket of prices that we have negotiated with Shell now has a basket of currencies, so to speak, whereby we can get better prices. We now have to treat the industry as a value chain. There is no downstream without an upstream. If bp and Shell shuts down tomorrow, there is no Point Lisas. If Point Lisas shuts down tomorrow, what will the upstreamers do with their gas? What will the NGC sell? So now we have to take the negotiations in the context of the entire value chain and a chain is as strong as its weakest link. So, we have to be very careful in how we analyze the chain.

Another factor that is impacting on petrochemicals, it is not so much the price of the raw material is high, and that is a significant factor, it is depressed commodity prices. I have the monthly report here which will be going to Cabinet tomorrow. The international methanol price for the month of November averaged $2.80. In the heyday of methanol, prices were as high as 500, the same thing could be said for ammonia. So these companies now, have to have a business model where in the cyclicity of product prices, they must be able to rally through a period of low prices. Every industry in the world has cyclicity of product prices, and the successful companies have a business model that allows them to rally through the sine curve effect of product prices.

Be that as it may, there are challenges. The upstreamers said, it is now costing more to search for and produce natural gas in Trinidad. We are not finding
three trillion barrels—three trillion cubic feet fields anymore. The average field size now that has been discovered over the last decade is just under 1 Tcf. So the development cost per MMBtu is higher. So they must ask for a higher price for their product. The downstreamers will bawl and then NGC as the middle man, which is the aggregator, has to survive because the NGC extracts economic rent on behalf of the State.

So having said all that, I am pleased to say that with all the talk about this, that and the other and Point Lisas shutting down, NGC has successfully concluded new gas sales agreement with Nutrien, which is the largest I think ammonia producer in the country. It used to be called PCS Nitrogen, in 2000, CNC. Those are three huge companies out of Point Lisas. The next two big entities in Point Lisas is MHTL, Methanol Holdings Limited. They are the world’s largest exporter of methanol. Negotiations are proceeding. I met with the principals of MHTL yesterday, that is the Proman group, and they are very happy with the way negotiations are taking place and they feel quite confident that they could have an amicable settlement in the shortest order.

The next big company is Methanex. Methanex—I am reading from a report here in the Trinidad Express, Methanex saying, we expect to pay higher gas prices in Trinidad and Tobago:

“GLOBAL methanol producer, Methanex has agreed with state-owned National Gas Company (NGC) to extend the term of its interim natural gas sales agreement from January 31…to April 1”—interim—“CEO, John Floren, told an analyst meeting on Thursday last.
In response to questions of Methanex operation, Floren told analysts that the company’s cost structure in Trinidad is acceptable under current prices.”

However, he went on to say that they would not be in a business where they
cannot make profits. But, as I said, how companies manage the low cycle of their product prices is fundamental to their success and their long-term success. Added to which—is a point I made yesterday also—most of the plants in Point Lisas are already amortized. It is not easy to go and build a new methanol plant, you know. That costs US 1 billion.

So, we have the advantage that the plants at Point Lisas, while some of them need upgrade, they have largely been paid off. We have the situation where the upstreamers are demanding higher price, they are squeezing the margins of the National Gas Company and all these conflicting issues have to come to the table in the context of negotiation through the gas value chain.

Sen. Mark talked about leakage, the Poten report, did in fact identify the leakage. Most of that leakage took place between 2010 and 2015. Who sorted it out is when we held the Spotlight on Energy and the Prime Minister told the international oil companies that we cannot accept this any longer, and we went to the Hague, and we went to London, and we went to Houston, and today, we have basically sorted it out. So, Madam President, this Government knows what it is doing in terms of the national economy. It knows what it is doing in the energy sector, and I feel quite confident that while we have some hurdles to cross, we will cross all these hurdles quite successfully. I thank you. [Desk thumping]

**Natural Gas Prices**  
*(Stability in the Manufacturing Sector)*  

**Sen. Wade Mark:** Thank you very much. Madam President, linked inextricably to the earlier Motion or matter is this matter or this issue I should say, of what is going to occur in the context of the viability and competitiveness of our local manufacturing sector and again, Madam President, it is related to this escalating increases in gas prices as a result of a bad deal negotiated by the Prime Minister
and his former Minister of Communications in Houston, Texas. I will say that until you admit it.

Madam President, what we are concerned about is arising out of an article in the *Trinidad Guardian* entitled “Manufacturers: Brace for job cuts if NGC hikes gas price” and we are told, Madam President, that we have in this country either close to or just over 150 manufacturing companies or firms employing, Madam President, close to 50,000 citizens in our country, and contributing very positively to our growth and development.

But, again, there is a situation where we are told, Madam President that before this bad gas deal that the Government settled with the gas majors: EOG, bp and Shell, these industrialists or manufacturers, if you will, according to a report, used to pay some US $2 to 2.50 per MMBtu in terms of gas from NGC. It is our understanding from reports that the NGC is saying, Madam President, that price is to go up to $4 and it is retroactive to January of 2019. These are the reports that we are getting. The Minister will have the opportunity to debunk my position, and guide me and say: “You are wrong, that is not so.”

But, Madam President, the companies that are going to be affected if something is not done to bring about some degree of balance in this exercise, we understand it will be Trinidad Cement Limited. Of course, we know that the Mexicans own the majority of shares at that company, but they operate locally and they export regionally, and I suspect internationally. You have Associated Brands Limited and then several companies out of the ANSA McAl chain of companies like Carib, Carib Glassworks, Abel and others would ultimately be affected. So, Madam President, this is another burning issue that we, on this side, have decided to bring to your attention and to the attention of this honourable Senate so that the Government can directly address this matter frontally.

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Madam President, we know through mismanagement of our resources and this economy, we have had three consecutive years of negative economic growth, and from all indications, a fourth year is upon us with the same prospect, negative economic growth. We have had, Madam President, close to 60 to 100,000 people being placed on the breadline by this Government over the last four and a half years and, therefore, Madam President, we cannot afford an industry, a sector as important to Trinidad and Tobago’s economy and to our country’s GDP having to release workers on the breadline because of a bad deal that this Government engaged in as it relates to new gas prices. And, therefore, we are asking the Government to indicate to this Senate and, through you, Madam President, to the national community and to the manufacturing sector, how are they going to ease the crisis, ease the burden on this sector of our economy, the manufacturing sector.

As the Minister said, we have to balance the scales of justice in this regard. NGC needs to provide moneys to the State whether it is UNC or PNM. So that is a very important enterprise for T&T. So we must get some money coming from them, so they must make money. But, Madam President, we must ensure that there is some degree of equity in this whole exercise. We cannot allow the majors, the gas majors, to go home with the whole kitchen and cupboard and bed and the whole house and then, Madam President, we are forced to live and sleep in the yard, and that is what is going on with this Government.

They have sold out our country [*Desk thumping*] to these majors and we now have to, Madam President, come in the back. The Prime Minister is not a negotiator. The Minister of National Security is not a negotiator. [*Desk thumping*] It is the NGC and the technocrats, Madam President, who are supposed to be doing this thing in the interest. All the Government has to do, Madam President, is to give guidance and policy direction, but they want to feel that they are so much

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involved in this thing, they went directly to Houston, Texas sat around the table and the man say, “Bam”. He say, “How high?” He say, “Okay, settle.” [Laughter and desk thumping] You do not negotiate that way, Madam President and now, Madam President, we are to catch, we are to catch, and this is why, Madam President, I have brought this Motion to deal with an issue affecting our manufacturing sector, and I am calling on the Minister of Energy and Energy Industries to tell us this evening, what is being done by NGC and the Government to ensure stability in that industry and to save 50,000 jobs. I thank you very much, Madam President.

6.30 p.m.

Madam President: The Minister of Trade and Industry.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you very much. Madam President, the Motion speaks to the viability and competitiveness of the local manufacturing sector—let me correct you, it is not 50,000 jobs, it is upward of 50 close to 60,000, and despite the difficult economic circumstances the sector remains alive and is able to employ all of those persons. Now, it is important to note that the very healthy manufacturing sector has really maximized its competitiveness based on a number of points; yes, on the low gas price which they enjoy, and that is subsidized by the Government, also on electricity prices, that is also subsidized by the Government, and also on the prices of water, the price of water which is also subsidized by the Government, and of course, based—another competitive edge is the well-educated population, and that again is subsidized by the Government of Trinidad and Tobago.

So the Motion speaks to the negotiations which are underway between the NGC and the LIC, which is the Light Industrial Customers concerning gas pricing. And I want to be very careful about what I say here in the Senate because I would
hate to prejudice the outcome of the case. As far as I know all parties are at the table in good faith, and from where I sit we expect a favourable outcome to benefit either side. And it is a fact that contracts existed between these players in the manufacturing sector and NGC. And the gas sales contracts with a portion of the LIC sector, and it is that the LIC sector is segmented so there is a group A, and the group A holds all of those large companies which you spoke about, some in the ANSA McAL Group and including TCL as well. But the fact is, and they know it, all of them are aware of the fact that it expired in December 2018, so they were all paying for gas up until December 2018, and they were all benefiting from the subsidy all up until December 2018.

What has happened since then, they have gone into negotiations but meanwhile NGC has continued to provide gas to all of the LIC customers despite them being in negotiations to conclude the five-year gas contract from 2019 to 2023. So, as I said, they are at the table, but the fact remains, and I make reference to the recent contribution by the Minister of Energy and Energy Industries, that NGC is also faced with higher natural gas prices from the upstream producers so something has to work out. And I can tell you that NGC, it is a known fact that they have offered subsidized gas prices to the local light manufacturing sector, spread with a gradual increase over the period of time. So as far as we know that the offer that had been made to them is still subsidized by the Government, well onto the entire period of time up until 2023.

So having regard to the fact that the NGC is faced with higher natural gas prices, there must be some adjustment to the burden, and it is on this basis that the negotiations are continuing to determine how the burden could be adjusted amicably for both sides. But I want us to be very, very careful, and let me defend NGC because they remain very cognizant of the fact of the importance of the local
manufacturing sector that they have subsidized in the past. There have been meetings, ongoing meetings; I am aware that the President of the TTMA has met with Mr. Mark Loquan of the NGC to present a case, so that the TTMA has been given a hearing on behalf of the manufacturers. I am aware that the TTMA President will also meet with the Ministry of Energy and Energy Industries just to present a case but the negotiations are continuing.

I can tell you that I had TCL on another matter holding discussions about a week ago, and just en passant they mentioned that they are in the process of the negotiations with NGC and all is going well, no complaints. So that I am really—I mean, we are all here very concerned about the article that was in the newspapers, we were referring to it. It spoke about 100 per cent increase in gas prices; there is no 100 per cent on the table, and that just amounts to rumour-mongering and fearmongering and gloom-mongering, Sen. Mark, at which you would sometimes identify with; there is nothing like that. There is no 100 per cent gas increase on the table at all. So TTMA is not worried. I do not think that the manufacturers are worried at all. They would be concerned, yes, because naturally we are talking about an increased price and they have to build that into their cost quite naturally.

So concerned but not worried and there is no alarm in the country about manufacturers suffering. There is no alarm about jobs being lost. That was a very irresponsible article that appeared in the Guardian on the front page about a week ago one Sunday; very, very disappointing, very pessimistic. You cannot continue to just throw a wet blanket when something comes up, you have to deal with the issue. And I am satisfied, quite satisfied that the manufacturers and the NGC are at the table in good faith bargaining so that both sides can in fact benefit at the end of it all, and I feel fairly comfortable, very comfortable that there would be no loss of jobs or no closure in the manufacturing sector. As you rightly alluded, the
manufacturing sector has been doing well, and I could see it continuing to grow.

I just looked at the numbers again and the exports have started to grow again. I spoke about a 22 per cent in the first six months, 2019, compared with 2018 and the 22 per cent. When I looked at the recently released figures for the first nine months in 2019 compared with the 2018 period, something like a 33 per cent in exports. So where the demand may have been a little slow in the domestic environment because of the prevailing conditions, and so on, they have decided what to do, continue to export. And they are pressing forward with exporTT, with the TTMA, and they are doing what they have to do, this is to ensure that the manufacturing sector grows and continues to employ people and continues to contribute to the GDP of this country. Thank you. [Desk thumping]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.36 p.m.