

## PRESS RELEASE

**FOR IMMEDIATE RELEASE:**

**July 22, 2003**

In a lead story in the Business Section of the Nassau Guardian, published on Monday, 21 July, 2003 written by Ms. Lindsay Thompson titled "Investment Act waiting on Securities Commission" Mr. Brian Moree, Chairman of the Financial Services Consultation Forum was quoted as stating:

"everybody's waiting for the Securities Commission of The Bahamas to sign off on the Investment Funds Act".

It was also stated in the article that:

"The Investment Funds Act was part of a package of radical financial bills passed three years ago in the wake of The Bahamas Financial Services blacklisting by the Organisation For Economic Cooperation and Development's Financial Action Task Force".

Mr. Calvin B. Knowles, Chairman of The Securities Commission of the Bahamas points out that the Investment Funds Bill, was in fact not a part of the financial Acts passed in response to the blacklisting. The drafting of the Investment Funds Bill actually began in June 2001 well after the previous government passed its body of legislation in response to the blacklisting of the Bahamas. The draft of the Bill was reviewed and approved by the Board of the Commission and forwarded to the Attorney General's Office and thereafter sent to the Ministry of Finance at the end of last year and tabled in Parliament March, 2003. The Bill passed through both Houses of Parliament during its last sitting.

At an extraordinary Board meeting of the Commission held July 2, 2003 the Commission reviewed five SMART funds templates which were approved subject to minor amendments being made to the templates. At a meeting held at the Commission on July 4, 2003 with representatives from the Bahamas Financial Services Board and the industry, the Commission advised all present of the approval of the templates by the Board.

Further, by letter dated July 15, 2003 the Commission advised The Ministry of Finance, The Ministry of Financial Services and Investments, the Financial Services Consultative Forum and The Bahamas Financial Services Board of the approval of the templates and enclosed copies thereof. The templates are presently being prepared for submission to the Attorney General's Office and publication in the Gazette. The

Commission notes however that the templates cannot be adopted in law until the Investment Funds Bill and Regulations have been enacted. The Commission has therefore taken all of the necessary action to enable the SMART fund templates to be published in the Gazette and brought into law immediately upon the enactment of the Bill and Regulations.

Further, the Investment Funds Regulations are being reviewed by the Legislative Committee of the Board of the Securities Commission. This Committee is comprised of Mrs. Tonya Galanis (Chairperson), and Mr. Bernard K. Bonamy, assisted by Ms. Mechelle Martinborough, Legal Counsel for the Commission, as well as Mr. Calvin B. Knowles and Mr. Hillary Deveaux, who serve as ex officio members thereof. The Committee is reviewing industry comments received at the end of June 2003 and where applicable those comments will be taken into consideration. It is expected that this process will be completed shortly, and the final draft of the regulations submitted to the Board for its approval.

Once the Board has approved it, the final draft of the Regulations will be circulated to the Ministry of Finance, The Ministry of Financial Services and Investment, The Bahamas Financial Services Board, The Bahamas Funds Association and The Financial Services Consultative Forum. The Regulations will also be simultaneously submitted to the Attorney General's Office so that they can be published in the Gazette and laid before Parliament when it opens in September 2003.

We wish to assure Industry Participants and the general public that this Board is not sitting on its hands nor is it unmindful of the need to act with dispatch, not only on matters that are brought before it but also to see to it that matters brought to management are dealt with expeditiously.

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**The Securities Commission of The Bahamas ("the Commission") is a statutory body established in 1995 pursuant to the Securities Board Act, 1995, which was repealed and replaced by the Securities Industry Act, 1999 (the SIA). The Commission is responsible for the administration of the SIA and the Investment Funds Act, 2003 (the IFA), which provides for the supervision and regulation of the activities of the investment funds, securities and capital markets. The Commission, having been appointed Inspector of Financial and Corporate Service Providers effective 1 January 2008, is also responsible for administering the Financial and Corporate Service Providers Act, 2000.**

**The Commission's mandate is to formulate principles to regulate and govern investment funds, securities and capital markets; maintain surveillance over investment funds, securities and capital markets ensuring orderly, fair and equitable dealings; create and promote conditions to ensure orderly growth and development of capital markets; and to advise the Minister of Finance regarding investment funds, securities and capital markets.**

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