

PRESS RELEASE

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FAST TRACKING PROCESS APPROVED BY THE SECURITIES COMMISSION OF THE BAHAMAS - GUARANTEED SEVENTY-TWO HOUR LICENSING APPROVAL FOR CERTAIN FUNDS

The Securities Commission of The Bahamas (SCB) has approved a fast tracking process of applications for professional investment funds and investment funds that target accredited or high net worth investors which are submitted to SCB for licensing. Under this process SCB guarantees approval of these categories of investment funds within 72 hours of receipt of a complete application.

The process was approved at a SCB meeting on November 24.

The new fast tracking process is much quicker than the current licensing process because it utilizes a declaration, signed by either the lawyer or the administrator to the fund, certifying that the application and all supporting documentation are in compliance with the Investment Funds Act and Regulations, 2003. The practice of SCB prior to adopting this process was to use a broad brush approach in licensing all funds without taking into consideration the type of investors being targeted.

This process is a result of a collaborative effort between SCB and market participants who had for some time expressed their concerns with the inconsistent turnaround time for the approval of investment funds licensed by SCB compared with competing jurisdictions.

SCB is now preparing the guidelines that will govern this process. These guidelines will set out the approach SCB will adopt in relation to the various requirements for licensing of these investment funds. Specific guidance will be provided regarding the nature and quality of documents required, as well as what due diligence information will be necessary on parties related to the investment fund.

Guidelines will be available on the SCB's website: www.scb.gov.bs before the end of this calendar year.

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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("the Commission") is a statutory body established in 1995 pursuant to the Securities Board Act, 1995, which was repealed and replaced by the Securities Industry Act, 1999 (the SIA).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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