

PRESS RELEASE

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THE SECURITIES COMMISSION OF THE BAHAMAS APPROVES STALEDATING OF APPLICATIONS

The Securities Commission of The Bahamas (the Commission) today released the guideline for staledating of applications for authorization to operate in the securities and capital markets in or from The Bahamas. The guideline details the provisions of the **Staledating Policy** formalized by the Commission at its meeting on February 23 2005.

In accordance with Parts III and IV of the Securities Industry Regulations 2000, and Section 3 of the Investment Funds Act 2003, the Commission authorizes persons to operate in the investment funds and securities markets. Any person wishing to carry on investment fund or securities business is required to make application to the Commission for the appropriate licence.

It has been the experience of the Commission that significant numbers of applicants fail to complete their applications in a reasonable time frame often requiring the expenditure of inordinate amounts of time in pursuit of applicants or in processing applications which are never completed. This action on the part of applicants has also resulted in undeserved accusations being levied against the Commission for an unacceptably long approval process. The Commission's **Staledating Policy** has been established to address this situation as it clearly delineates the parameters for the consideration of applications.

The Commission requires that applications be staledated where the applicant fails to complete its application after a period of **90 days** and there has been no grant of an extension. Throughout this application period, the Commission engages in an intense series of communications with the applicant, with a view to assisting in having the application process completed in the shortest possible period and certainly within 90 days. Special consideration may be given on a case-by-case basis to granting an extension of the period. Applicants wishing to re-activate a staledated application must reapply to the Commission. A non-refundable application fee will be required. The Commission will take the necessary steps to ensure that an applicant who has failed to complete an application in the set time does not engage in business without the proper authorization.

The intent of the guideline is to communicate the Commission's established timeframe and procedure for the completion of the application process and to alert applicants to the fact that failure to act within the set period will lead to staledating.

It is expected that the guideline will bring additional structure to the authorization process and at the same time address the industry's fears regarding a lengthy approval process when, for the most part, the Commission's action would have been delayed by inadequate and incomplete applications.

Production of the guideline not only reflects current relevant international practice, but is also indicative of the ongoing co-operative efforts between the Commission and the industry. It acknowledges the role of Commission in enforcing legislation in relation to the capital markets. This is a role which the Commission is seeking to discharge with increasing effectiveness

The guideline is available on the Commission's website at www.scb.gov.bs

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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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