

Securities Commission of The Bahamas

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PRESS RELEASE

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FOR IMMEDIATE RELEASE
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IOSCO/FSB MONITORING OF SECURITIES COMMISSION OF THE BAHAMAS INFORMATION EXCHANGE REGIME CEASED

ISOCO Standing Committee 4 has advised that it has ceased monitoring the international assistance and exchange of information activities of the Securities Commission of The Bahamas (the Commission).

In late 2005 the Financial Stability Forum, now the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO) embarked upon a joint initiative, to assess international assistance and information Exchange. As a part of this initiative the FSB and IOSCO established a confidential review process in which they named 'priority' jurisdictions including The Bahamas. It was contended that The Bahamas had been identified as a priority jurisdiction on the basis of its significance to the international financial markets due to the size of its cross border transactions.

Once identified as a priority jurisdiction, the Bahamas' international assistance and exchange of information regime established through the securities legislation and administered by the Commission was reviewed and a report setting out results of that review was issued. This report identified certain weakness in the co-operation regime of the Commission. As a result of the various weaknesses identified in the report, IOSCO required that the exchange of information activities of the Commission be monitored. The Commission was therefore directed to submit the following reports to IOSCO's Standing Committee 4 (the IOSCO committee responsible for the administration of the joint initiative) on a quarterly basis:

- (i) reports on the progress and timetable for obtaining the amendments to the relevant legislation to bring the exchange of information regime into compliance with the IOSCO MMOU; and
- (ii) regular reports on the status of international requests for assistance received by the Commission from foreign regulators.

The Commission has to date consistently and satisfactorily provided the information required by IOSCO and as a result of its efforts was advised in mid January 2010 by ISOCO that the monitoring of the Commission's information exchange activities had ceased. The Chairman of the IOSCO Standing Committee 4, Georgina Phillipou, noted that the Commission had obtained signatory "B" status to the IOSCO MMOU and stated that **'in light of this positive development and the fact that IOSCO Standing Committee 4 members continue to report positive experiences regarding co-operation with the Commission, IOSCO has decided to cease monitoring the Commission in the context of the IOSCO initiative.'**

The Executive Director of the Commission stated **'that the Commission has worked diligently over the past five (5) years to adhere as best it could to standards for international assistance and the exchange of information.'**

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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