

Securities Commission of The Bahamas

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PRESS RELEASE

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NEW SECURITIES ACT TO COMPLY WITH IOSCO EXCHANGE OF INFORMATION STANDARDS

State Minister of Finance, Hon. Zhivargo Laing, during his contribution to the 2010-2011 Budget Debate presentation on May 26, 2010, assured that The Bahamas would be compliant with the International Organisation of Securities Commission's (IOSCO) Multilateral Memorandum of Understanding (MMoU) Concerning Consultation and Cooperation and Exchange of Information when the draft Securities Industry Act and Regulations (draft securities legislation) is promulgated.

The Minister noted that, "The Securities Commission of The Bahamas has worked diligently over the years to adhere, as best it could, to international standards on cooperation and exchange of information with respect to the securities markets. However, the Commission has had to work within the constraints of our laws, which as they presently exist, do not fully comply with the standards of the IOSCO MMoU."

IOSCO, recognized as the leading international policy forum for securities regulators with a membership that regulates more than 95% of the world's securities markets in over 100 jurisdictions, adopted the MMoU as the model for international cooperation in 2002. The MMoU establishes standards to be applied by IOSCO Members on how they will consult, cooperate, and exchange information for securities regulatory enforcement purposes. At the April 2005 Annual Conference of IOSCO, a timetable was agreed for all Member regulators, not already signatories to the MMoU, to apply to be signatories to the MMoU by January 1, 2010. Any Member, who applied but did not meet the standards for full compliance with the MMoU, i.e. Signatory 'A', were approved as Signatory 'B' provided they committed to make the necessary legislative changes to fully comply with all the terms of the MMoU. Signatory 'B'

Members now have until January 1, 2013 to meet all the conditions to qualify as Signatory 'A' to the MMOU. The Commission was approved as a Signatory 'B' on June 10, 2009.

Minister Laing, in addressing the deficiencies in complying with the MMOU, stated that, "the draft securities legislation is intended to make The Bahamas compliant with all MMOU standards, in addition to addressing deficiencies that exist in the current legislation, the Securities Industry Act, 1999 and Securities Industry Regulations, 2000."

The draft securities legislation is in its final stages of completion, following industry consultations and international expert review. It is expected that the draft legislation will be tabled in Parliament before the end of July, 2010.

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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