

**4<sup>th</sup> ANNUAL CONFERENCE**

**CARIBBEAN GROUP OF SECURITIES REGULATORS**

**ST. KITTS**

**Thursday, October 25, 2007**

**Opening Address by**

**Mr. Hillary Deveaux**

**,Executive Director,  
Securities Commission of The Bahamas**

**Chairman,  
Caribbean Group of Securities Regulator**

Ladies and gentlemen, it is an honour and a pleasure for me to address you at this 4<sup>th</sup> Annual Conference of the Caribbean Group of Securities Regulators. I would like to offer my sincere thanks to the Eastern Caribbean Securities Regulatory Commission, for hosting this year's Conference in St. Kitts and Nevis, especially on the beautiful island of St. Kitts. I would also like to thank you, the delegates, who have travelled from far and not so far to participate in this conference. I trust that you will find these two days enjoyable and most rewarding.

I am pleased to note that this year's conference under the theme, "The Role of Capital Markets in the Development of the Caribbean: Benefits and Challenges", has been able to incorporate a well balanced mixture of topics that addresses a wide range of issues that are challenging us in our local and regional capital markets.

Today I would like to take a look back over the past 3 years, starting with the very beginning of what we now call the Caribbean Group of Securities Regulators.

Then if you would allow me, I wish to highlight some of the achievements of the Group, some of the initiatives which we are presently addressing and then to take a look forward to what I envision on the road ahead for the CGSR.

For the benefit of those delegates who may not be familiar with the origins of the CGSR, the concept of a Caribbean association of securities regulators took seed out of a recognised need for a forum which allowed for issues unique and important to the Caribbean securities market development and regulation to be discussed in greater detail.

Initially, Caribbean securities regulators used larger conferences and working group meetings such as the International Organisations of Securities Commissions' (IOSCO) annual meetings and the bi-annual meetings of the Council of Securities Regulators of the Americas (COSRA), to meet, exchange ideas and share experiences. I should point out that this is still the practice.

It was however, in 2003, an informal grouping previously known as the Association of Caribbean Securities Regulators, comprising of 6 English speaking Caribbean states and territories, was formed. The name change to CGSR occurred at our second meeting in Jamaica in 2005. To date active members total 9 securities regulators from The Bahamas, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, the Eastern Caribbean States, Guyana, Jamaica and Trinidad & Tobago.

Very broadly, the CGSR's objectives are to facilitate cooperation among regional regulators, to discuss matters of mutual interest and cross-border implications, in

order to achieve a more simplified, integrated and efficiently supervised Caribbean capital market.

Some of the issues currently being addressed by members, and this is by no means an exhaustive list, are:

- the formalizing the CGSR,
- harmonisation of legislation and administrative practices in the respective regulatory regimes,
- the convergence of the various regulatory requirements of each individual jurisdiction, and
- the formation of a Caribbean Exchange Network.

While this Conference was originally designed for regulators; Members recognised immediately the value of having participation from market participants and industry stakeholders. It is obviously clear that the success of the conference over the years has been due to the commitment of the CGSR to provide a platform that allows for meaningful dialogue with industry stakeholders.

Moreover, this Conference provides Caribbean regulators with an opportunity to discuss how best to utilize our membership in international and regional bodies, particularly in respect of ensuring that we fully participate in the processes which lead to the development of international standards governing securities markets and their regulation. Most members of the CGSR are either members of IOSCO, the international standard setting organisation for the securities market, or COSRA. It is my belief that there are significant benefits to be had in attending and participation in the meetings of international and regional financial regulator bodies.

The CGSR has undertaken to ensure that there is CARICOM representation at all meaningful international and hemispheric securities events, including IOSCO and COSRA sponsored activities. This is to be accomplished by ensuring that members organise their attendance in a manner to cover all meetings and produce briefings on issues covered to all non attending members.

At last year's conference, there was a lengthy discussion about the proposed CARICOM Financial Services Agreement. Since then, I can report that a final draft of the document has been submitted by the CARICOM Secretariat to the CGSR and has been circulated for comment among Caribbean regulators. I look forward to the lively ensuing discussions on this agreement at this year's Conference.

Thus far, the successes of the CGSR have been significant, although miniscule in comparison to the task ahead; they are no less deserving of special recognition. Over the past three years, the CGSR has been integral in the organising of a training programme for Caribbean regulators. Over the past year a training programme which focused on the onsite examination and inspection procedures of regulators was funded by the Caribbean Regional Technical Assistance Centre (CARTAC) and hosted by St. Kitts. A training programme on Market Regulation and Enforcement conducted by the USSEC and hosted by the T&T SEC is currently in the making. A second major achievement of the CGSR, also deserving of special recognition was the extraordinary cooperative efforts by the Caribbean regulators involved in the coordinated supervision of the complex cross-border

acquisition of Barclays Bank's holdings in FirstCaribbean International Bank by CIBC.

There are many active initiatives of the CGSR. Of primary importance is an investigation into the possibility of formalising this group. The CGSR approach to this initiative has been to draw from the expertise and experiences of regional financial regulatory bodies that have been able to successfully formalise their associations. We have therefore, undertaken to contact such regional bodies that have similar objectives as the CGSR. One such body is the Arab Union for Securities Commissions ("AUSC"). The AUSC is presently chaired by the Jordan Securities Commission and comprises regulators from United Arab Emirates, Saudi Arabia, Palestine, Egypt, Algeria, Qatar, Kuwait, Oman, Syria, Iraq, and Jordan. There are others and the CGSR will continue in its efforts.

The CGSR is also pursuing the implementation of a CGSR website and a regional multilateral memorandum of understanding for the exchange of information and co-operation and consultation. Jamaica is spearheading the website project. To date, thanks to the efforts of the ECSRC and Mr. Everette Martin, a draft multilateral memorandum of understanding has been distributed to members for comment and feedback.

Another significant ongoing initiative of the CGSR is the convergence and harmonisation of regional legislation. In this regard, regulators are therefore encouraged to continue their efforts in improving the regional regulatory frameworks. This initiative will have a very positive impact on speeding up the

process to fully integrate the capital markets in the CSME even though some members of the CGSR are not signatories to the CSME.

Finally, another very important ongoing initiative of the CGSR is the creation of regional stock exchange. Given the already significant and constantly increasing levels of cross-border activity traversing the respective jurisdictions the time has now come for Caribbean regulators to give serious consideration to the creation of a regional stock exchange. Members have been provided with a proposal to create a Caribbean Exchange Network (CXN) to review and I am sure that efforts to solidify this initiative will continue. The efforts of the stock exchanges in Barbados, Jamaica and Trinidad and Tobago to integrate their operations will assist this process. Again, it is my view that membership in CSME is not essential for an integrated capital market. Coming from the Bahamas I shall say no more on the CSME.

The CGSR has already approached CARTAC to assist in the conversion and harmonisation of regional legislation and to assist regulators in dealing with a consolidated regulatory regime associated with the Caribbean Exchange Network.

I am hopeful that that there will be more dialogue and progress on these important initiatives at this year's regulators' meeting following this conference on Friday.

There is a lot of work left to be done and many challenges on the road ahead.

It is my hope that as this Conference marks its fourth year; we would endeavour to improve on our efforts, renew and re-strengthen the partnerships that have been forged and refocus on our goals and objectives which we all well know are daunting but not insurmountable.

Thank you