

Securities Commission of The Bahamas

**3RD Floor, Charlotte House
Shirley & Charlotte Streets
P.O. Box N – 8347
Nassau, Bahamas**

PRESS RELEASE

**Contact: Mr. Dave Smith
242- 397-4100**

FOR IMMEDIATE RELEASE

BACO Pays Courtesy Call on SCB

The Bahamas Association of Compliance Officers (BACO) paid a courtesy call on the Securities Commission of The Bahamas (SCB) to continue the dialogue regarding the direction of the regulatory landscape and the critical role that Compliance Professionals play within it.

The BACO executives met with the SCB's Executive Director Dave Smith and several members of the SCB's management team at its offices on Thursday 27 September 2012. BACO was represented by its President Marsha Ferguson, 2010 Past President Cherise Cox-Nottage, Assistant Treasurer Cheryl Fox, Education Committee member Latonia Symonette-Tinker, and Secretary Rochelle Cleare.

During the visit, open and frank discussions were held about, amongst other things, the evolving international standards impacting the securities and capital markets, the SCB's efforts to rectify a number of long-standing issues, the importance of properly trained, resourced, and empowered Compliance Professionals and a well-functioning BACO.

"I believe my team came away with an appreciation that the SCB has and is executing a plan to address the historic and other issues which we raised, and the SCB has its fingers on the pulse of the ever-evolving international regulatory environment and is working to ensure that The Bahamas remains as a reputable jurisdiction from which to do business," Ferguson said.

"With the authority that the SCB has under the Securities Industry Act, 2011, the plans that it has in place and its unequivocal support for the goals of BACO, we are optimistic about many of the changes which the SCB is on track to realize."

Ferguson went on to say that BACO and many of the executive members now understand some of the challenges facing the SCB a little better, but more importantly, the team came away knowing that the SCB was not only aware of key concerns, but had working plans in place to correct issues that the industry has contended with and had voiced concerns about for some time.

The BACO representatives were told of several SCB initiatives, including internal restructuring for improved efficiency, reworked communication flows to improve responsiveness, new service delivery standards for processing applications, prospective upgrades and improvements to information management systems and a number of other projects and initiatives underway, aimed at improving the industry's experience with the Commission.

The BACO president went on to add that during the meeting the SCB emphasized collaboration with the Association to achieve mutual objectives. For example, the SCB is preparing to issue a survey of Compliance Professionals in the capital and securities markets to better understand their composition, experience and training and gain feedback on the Guidelines for the Licensing of Compliance Officers. BACO participated in the review and testing of the survey.

“We cannot stress sufficiently the importance of feedback and engagement in shaping the regulatory landscape,” Smith said. “Regulators place great reliance on Compliance Professionals, and the SCB realizes that holistic regulations are best achieved through meaningful dialogue with industry stakeholders.”

The attendees also explored how to provide targeted training to fill-in gaps Compliance Professionals in securities and investment funds businesses sometimes have. Smith explained that compliance experience in other financial services operations may not meet the specialized expertise required for securities and investment funds business.

The SCB requires the registration of Compliance Officers for securities and investment funds businesses under its regulatory authority.

Several matters addressing the legislative framework were also discussed, including some of the Commission’s considerations that informed the proposed outsourcing guidelines and the implications of the Financial Action Task Force’s (FATF’s) “40+9 Recommendations”. The Recommendations comprise the global standard for combating money laundering and terrorist financing.

Additional Information for Editors:

The Bahamas Association of Compliance Officers

Founded in 1999, BACO as a professional association has demonstrated its commitment to the highest standards of conduct in order to enhance the integrity of the second pillar of the Bahamian economy and BACO is highly regarded as a leader and pacesetter in the region by brother compliance associations and by governments.

Proper training provides a competitive advantage and introduces safeguards against reputational and other business risks for financial institutions. Adequate budgetary provisions must be made for training programmes, including meeting the need for ongoing training as is statutorily required.

In The Bahamas the Compliance Officer is expected to be of a sufficient seniority so as to command the respect of the Board of Directors and, as in the UK and other progressive IFCs, it remains a requirement for the Compliance Officer to have direct and unrestricted access at all times to the Board. This position is also supported by the Basel Committee’s consultative paper on The Compliance function in Banks

As a nation we must continually maximize our reputational capital in the financial services world as a top tier jurisdiction by, amongst other things, the wholesale embrace of ever improving professional

standards which, **do not** put us at a competitive disadvantage but rather, on the contrary, serve to enhance our luster.

BACO plays a pivotal role in the strengthening of the **integrity perception** of our jurisdiction and as part of its mission it engages in continuing education efforts for its members.

BACO is the founding compliance association of the CRCA (Caribbean Regional Compliance Association) and the 1st meeting of this regional and international compliance association was held here in The Bahamas in 2004.

The Securities Commission of The Bahamas

The Securities Commission of The Bahamas (“the Commission”) is a statutory body established in 1995 pursuant to the Securities Board Act, 1995. That Act has since been repealed and replaced by new legislation. The Commission’s mandate is now defined in the Securities Industry Act, 2011 (SIA, 2011). The Commission is responsible for the administration of the SIA, 2011 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 Services effective 1 January 2008, is also responsible for administering the Financial and Corporate Service Providers Act, 2000.

The Commission’s is mandated to: advise the Minister on all matters relating to the capital markets and its participants; maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities; foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets; protect the integrity of the capital markets against any abuses arising from financial crime, market misconduct and other unfair and improper practices; promote an understanding by the public of the capital markets and its participants and the benefits, risks, and liabilities associated with investing; create and promote conditions that facilitate the orderly development of the capital markets; and perform any other function conferred or imposed on it by securities laws or Parliament.



The Bahamas Association of Compliance Officers (BACO) paid a courtesy call on the Securities Commission of The Bahamas (SCB) on Thursday, 27 September 2012. Pictured are (L-R): Rochelle Cleare, BACO Secretary BACO; Latonia Symonette-Tinker, BACO Education Committee Member; Dave S. Smith, SCB Executive Director; Cheryl Fox, BACO Assistant Treasurer; and Marsha Ferguson, BACO President.