

Securities Commission of The Bahamas

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PRESS RELEASE

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FOR IMMEDIATE RELEASE
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BRITISH COLUMBIA SECURITIES COMMISSION'S ENFORCEMENT ACTION AGAINST GIBRALTAR GLOBAL SECURITIES INC.

The Securities Commission of The Bahamas (the Commission) is responsible for administering the Securities Industry Act, 2011 (the Act), which provides for the registration or licensing and regulation of broker-dealers and securities investment advisors. A News Release was issued by the British Columbia Securities Commission (BCSC) on its website dated 23 May 2012 concerning disciplinary action which resulted in a "cease trade" order being issued against Gibraltar Global Securities Inc. (Gibraltar), a local broker-dealer licensed by the Commission.

The Commission notes from the BCSC's release that Gibraltar operated within the BCSC's jurisdiction without being registered to do so and any actions taken against Gibraltar by the BCSC were a direct result of Gibraltar's activities. The Commission advises that the BCSC conducted its own investigation into Gibraltar's alleged activities within its jurisdiction and sought the Commission's assistance by requesting certain information which the Commission provided; **however, the Commission was not involved with the investigation in any other way.** The Commission obtained information pursuant to an Inspection for Cause that was unrelated to the BCSC's request and the Commission assisted the BCSC pursuant to the now-repealed Securities Industry Act, 1999 (SIA 1999). Note that the Commission's authority to assist foreign regulators has been continued under the Act.

While the Commission is not bound to disclose information, it is the Commission's position that it has an obligation to do so **once satisfied that a legitimate request for the information has been made by an overseas authority legitimately exercising its regulatory authority.** The BCSC's disciplinary action concerned the laws of its jurisdiction, and the Commission is confident that it addressed this matter properly having regard, as always, to the given circumstances of the matter in question. In addition, the Commission is also obligated to consider the international implications while acting pursuant to the laws and the interests of the jurisdiction.

The Commission's confidentiality obligations under the Act render it unable to divulge any details of matters concerning its registrants. This includes information on any disciplinary action concerning any of its licensees or registrants and the Commission therefore cannot comment on whether or what, if any, action will be taken by the Commission concerning the BCSC's enforcement action. Where the Commission takes enforcement action the final decisions are published on the Commission's website in accord with the Act.

Concerning the Commission's information-sharing obligations generally, the Commission further refers to its Notice relative to same issued on 11 October 2011 (No. 16 of 2011) located on its website under the heading "2011" which can also be accessed via the following link: http://www.scb.gov.bs/alerts_notices.html

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.

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