

Securities Commission of The Bahamas

3<sup>RD</sup> Floor, Charlotte House  
Shirley & Charlotte Streets  
P.O. Box N-8347  
Nassau, The Bahamas

# MEDIA RELEASE

Contact: Executive Director  
Ms. Christina Rolle  
242- 397-4100

FOR IMMEDIATE RELEASE:  
11 August 2017

## FCSPs Discuss New Legislation at Industry Forum

The Securities Commission of The Bahamas (the Commission) told financial and corporate service providers about its progress in overhauling the legislation governing their sector at a well-attended industry briefing recently.

The briefing was held at the British Colonial Hilton on 8 August and attracted over 120 representatives of financial and corporate services firms. The Commission's executive director, Christina Rolle, noted that the Commission, the industry and various international standards setters have observed several critical issues and regulatory gaps in the legislation which needed to be addressed.

"Some of these gaps include weaknesses in the enforcement structure of the legislation, lack of clarity around the consequences for non-payment of annual fees as well as inadequate definition of the specific activities that fall within the scope of this legislation" Rolle said in her remarks.

Rolle said that The Bahamas is facing increasing pressures from the international community to ensure proper supervision of all forms of non-banking financial service activities and must double-down on its efforts in the fight against money laundering and the financing of terrorism.

Deputy Prime Minister and Minister of Finance K. Peter Turnquest brought opening remarks. The Minister said that the jurisdiction must have a reputation for compliance with international best practices and spoke to the importance of the Government, regulators, and businesses working together for a pragmatic and sensible approach to doing business in the jurisdiction.

Saying that transparency was the "order of the day", Minister Turnquest said financial and corporate service providers must ensure they comply with their responsibilities regarding maintaining reliable accounting records.

"As financial and corporate service providers, you must ensure that you meet your obligation to maintain accounting records as required under relevant legislation, both with respect to your own business and any [International Business Company] or Exempted Limited Partnership where you provide corporate or administrative services," Minister Turnquest said. "The eyes of the world are on us, and we should expect that our access to beneficial owner information and reliable accounting records will be tested."

The Commission's deputy legal counsel, Odecca Gibson, provided an overview of the Financial and Corporate Service Providers Bill which the Commission has issued for public consultation. Ms. Gibson highlighted some of the notable new provisions and key changes to the existing legislative framework.

Managers of the Commission's supervisory departments brought updates regarding the licensing and approvals process, and provided cautions and reminders to registrants stemming from the supervisor's oversight of the sector. Wilfred Bain, enforcement officer, made a special presentation on registrants' responsibilities for obtaining and documenting beneficial ownership information for various types of legal persons and arrangements.

The draft financial and corporate services providers legislation was issued on 20 July for public consultation and the Commission is asking comments by Friday 1 September 2017. The draft legislation includes the Financial and Corporate Services Providers Bill, 2017, the Money Lenders' Rules, and the Fees Rules. The documents, including instructions for providing comments, are on the Commission's website at [www.scb.gov.bs](http://www.scb.gov.bs).

Financial services activities include money lending, mortgage broking, pay day and cash advances, financial intermediation and other financial services. Corporate services activities include services such as the formation of international business companies (IBCs), the provision of registered office and registered agent services for IBCs and Exempted Limited Partnerships, and acting as a director, officer or nominee shareholder.

###

#### **Editor's Information:**

1. **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.**
2. **The Commission's mandate is now defined in the Securities Industry Act, 2011 (SIA, 2011).**
3. **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.**
4. **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.**
5. **The functions of the Commission are 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 (SIA, 2011, s.12).



Photo caption: Chairman of the Securities Commission of The Bahamas Mr. Robert Lotmore (left), Executive Director Christina Rolle (middle) and Deputy Prime Minister and Minister of Finance the Hon. K. Peter Turnquest (right) at the Financial and Corporate Services Providers Act, 2000 Industry Briefing, held 8 August 2017. Photo courtesy of Bahamas Information Services.