

**Securities Commission of The Bahamas**

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

## **PRESS RELEASE**

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

**FOR RELEASE ON OR AFTER  
25 July 2016**

### **Securities Commission Launches Overhaul of Investment Funds Legislation**

The Securities Commission of The Bahamas (the Commission) has officially launched a project to overhaul the laws governing investment funds in order to strengthen regulation of the sector and improve competitiveness in this growth area.

The Commission launched the overhaul project on 1 July 2016 with the engagement of Gonsalves Sabola Chambers as the drafting consultant and Graham Thompson and Co. as the technical consultant. The drafting consultant has responsibility to produce drafts of the legislation in accordance with instructions provided by the Commission while the role of the technical consultant will include the benchmarking of proposed legislation against comparable legislation in select jurisdictions, particularly for competitiveness in the sector and in preparation for the EU passporting process.

The investment funds industry has been one of the areas of the Bahamas' financial services sector which has been experiencing growth in recent years, with the number of licensed or registered investment funds showing an average annual increase of 10.8 percent over the years 2013 to 2015, with 885 licensed or registered funds at 31 December 2015. Further, the number of licensed/exempted investment fund administrators operating in or from The Bahamas rose by 6.5 percent to 66 during 2015, following several years of stagnation.

"This growth signals that The Bahamas may have an opportunity to gain ground and expand the investment funds industry, which is good news in a sector plagued by contractions in private wealth management," said the Commission's executive director, Ms. Christina Rolle.

The Commission has assembled a project team for the overhaul consisting of a small group of leading industry professionals. The project team, along with a legislative drafter assigned by the Attorney General, will review and give input to the proposed legislation at various stages during the drafting process. The Commission is also looking to have two periods of industry consultation during the development of the legislation, which will facilitate direct input from licensees, registrants, and the general public.

While the Commission is the lead sponsor of the IFA overhaul, the Ministry of Finance as well as the Office of the Attorney General are key partners. As part of the launch, the Commission paid courtesy calls on

the Minister of State for Finance, Hon. Michael Halkitis, Minister of Financial Services, Hon. Hope Strachan, and held meetings with the project team and other industry stakeholders including representatives from the Association of International Banks and Trust Companies as well as representatives from the Bahamas Financial Services Board's funds working group.

The legislation will address concerns with the regulation of the investment funds markets identified in the IMF's 2013 Financial Sector Stability Assessment report for The Bahamas. In this regard, the overhaul is envisaged to provide for the oversight of investment fund managers and advisors, and for ongoing capital and prudential requirements for market intermediaries, bringing these areas into compliance with international standards and codes.

The Commission is pursuing completion of the draft Act and attending Regulations before the end of 2016.

The Commission is responsible for the oversight of the investment funds, securities and capital markets in The Bahamas. It is also the Inspector of Financial and Corporate Services with responsibility for the oversight of financial and corporate services providers.

###

**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 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.**



Ms. Christina Rolle  
Executive Director