

Securities Commission of The Bahamas

3RD 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 IMMEDIATE RELEASE

Minister: Good Regulation Key to Competitive Securities Sector

The Bahamas' reputation as a well-regulated international financial centre is fundamental to industry growth, Deputy Prime Minister and Minister of Finance the Hon. K. Peter Turnquest, MP told securities and investment funds professionals at an industry briefing held last week.

"To protect, defend and grow financial services in The Bahamas, we must ensure that the judiciary, law enforcement and regulators are all equipped with the framework and tools needed to prove that The Bahamas is, in fact, a well regulated financial centre of choice," Deputy Prime Minister Turnquest said.

The briefing was hosted by the Securities Commission of The Bahamas at the British Colonial Hilton on 14 September 2017. The Deputy Prime Minister spoke to current trends impacting the financial services sub-sector, including global trends of competition driving down profit margins and forcing a shift in operational structures, increasing regulations and associated compliance costs to contend with as well as increasing transparency standards globally.

According to Minister Turnquest, the industry must leverage its competitive advantages. He said the clustering of investment services, banking and trust services, investment fund administration, company formation, coupled with the law and accounting professionals, hospitality specialists as well as The Bahamas' geographic location can, for example, support a focus on family office business.

The Commission's Executive Director, Ms. Christina Rolle, gave an overview of the deficiencies identified during the Caribbean Financial Action Task Force's 2015 assessment of The Bahamas along with actions being taken by the Commission to address those deficiencies within its scope. Ms. Rolle also addressed the Commission's key priorities, which include the overhaul of the Investment Funds Act, and spoke to the implementation of risk based supervision.

According to Ms. Rolle, with the overhaul of the Investment Funds Act, the Commission is looking to establish a European Union (EU) pass-porting regime for the purposes of the EU's Alternative Investment Fund Managers Directive (AIFMD).

Ms. Rolle said that in order for risk based supervision to be implemented effectively, the Commission will have to enhance data collection from its licensees, registrants and public companies.

Ms. Rolle also mentioned the efforts of the global standards setter for securities regulation (International Organization of Securities Commissions) to improve enforcement cooperation among securities regulators. In this regard, she noted that the organization is moving to the Enhanced

Multilateral Memorandum of Understanding (E-MMoU). The Commission, is currently an “A signatory” to IOSCO’s Multilateral Memorandum of Understanding and is looking to engage with the financial services industry on the signing of the E-MMoU.

The Commission’s Legal Counsel, Ms. Mechelle Martinborough, provided attendees with some updates on the proposed changes to the Investment Funds Act, Business Capital Rules as well as anticipated changes to the Securities Industry Anti Money Laundering Countering the Financing of Terrorism Rules, 2015 (AML/CFT) and the Securities Industry (Amendment) Regulations, 2015.

This year’s industry briefing included a panel discussion on Development of Capital Markets in The Bahamas: Opportunities for Hindrances to Growth. Experts that presented on the panel were Mr. Gowan Bowe, Group Chief Financial Officer for Fidelity Bahamas and President of Bahamas Institute Chartered Accountant (“BICA”), Mr. Keith Davies, CEO, BISX, Mr. Richard Coulson, Financial Consultant and Mr. Barry Williams, Chief Money Maestro, ALIV, moderated by Ms. Tammi Miller, Senior Officer, Policy & Research.

Other presenters from the Commission gave an overview of activities in their areas and highlighted important observations arising from the Commission’s surveillance of the industry.

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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: Deputy Prime Minister and Minister of Finance the Hon. K. Peter Turnquest (left), Executive Director Christina Rolle (middle) and Chairman of the Securities Commission of The Bahamas Mr. Robert Lotmore (right), at the Securities Industry Act, 2011 and Investment Funds Act, 2003 Industry Briefing, held 14 September 2017.



Experts on the Panel Discussion held 14 September 2017

Photo Caption: From left to right Mr. Barry Williams, Chief Money Maestro, ALIV, Mr. Richard Coulson, Financial Consultant, Mr. Gowan Bowe, Group Chief Financial Officer for Fidelity Bahamas and President of Bahamas Institute Chartered Accountant (“BICA”) and Mr. Keith Davies, CEO, BISX.