

Securities Commission of The Bahamas

3rd Floor, Charlotte House
Shirley & Charlotte Streets
P.O. Box N-8347
Nassau, Bahamas

PRESS RELEASE

**Contact: Executive Director
Christina R. Rolle
Tel: (242)-397-4100**

**For Immediate Release
24 December 2015**

Securities Commission issues new legislation

Two important pieces of legislation which will improve the regulatory framework for the securities industry came into effect this month, according to the Securities Commission of The Bahamas.

The Securities Industry (Anti Money Laundering and Countering the Financing of Terrorism) Rules, 2015 (“AML/CFT Rules”) and the Securities Industry (Amendment) Regulations, 2015 were made effective on 4th December and 8th December 2015, respectively.

The AML/CFT Rules bring the regulatory framework for the securities industry into compliance with international standards regarding anti-money laundering and countering the financing of terrorism. The rules are applicable to all registrants of the Securities Commission. The scope of the Rules covers, inter alia, internal control requirements, a requirement for implementation of a risk rating framework, verification of customer identity and record keeping requirements.

The Securities Industry (Amendment) Regulations, 2015 make changes to Regulation 69 and Regulation 88 of the Securities Industry Regulations, 2012 (SIR), which capture registrants’ obligations to ensure the suitability of client investments and the segregation of client cash and assets, respectively.

Regulation 69 of the SIR has been amended by the deletion of paragraph two. This amendment removes the obligation from registrants to give their opinion prior to executing client-instructed transactions (buy, sell, or hold) which, in their opinion, may not be suitable for the client.

Regulation 88 of the SIR has been amended by the insertion of a new paragraph which gives exemption to registrants who hold a license under the Bank and Trust Companies Regulation Act (Ch. 316) from the requirement to hold client cash and assets in a designated trust account separate and apart from the firm’s property.

Copies of the legislation can be found on the Commission’s website at www.scb.gov.bs

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 That Act has since been repealed and replaced by new legislation.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.