

Securities Commission of The Bahamas

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PRESS RELEASE

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FOR IMMEDIATE RELEASE

SCB Responds to Some Accountants' Concerns

The Securities Commission of The Bahamas (SCB) affirms its commitment to maintaining an internationally respected consultative process that welcomes input from all stakeholders.

The SCB statement follows a recent news article appearing in the Tribune, referencing a letter sent to the regulator that was signed by five prominent accountants. The article charged that the accountants felt 'snubbed' by the SCB's Executive Director, Dave Smith, following a meeting with some representatives of the Bahamas Institute of Chartered Accountants (BICA) and representatives of several large accounting firms. The five had not been invited to that meeting.

The SCB confirms that it considers dialogue with all stakeholders to be important, and simple practicality means it cannot have every practitioner that will be impacted by its activities sit in on every related meeting.

"The Commission has, in a documented fashion, remained transparent in its consultative process in conformance with the International Organisation of Securities Commissions (IOSCO)", Smith said. IOSCO is the international standard setter for securities regulators.

"All of the Commission's activities are conducted in accordance with its mandate as set out in Section 12 of the Securities Industry Act, 2011, and the standards promulgated by IOSCO. There was nothing untoward, no sleight of hand or intention to offend. The Commission readily undertakes dialogue with industry stakeholders to engender a holistic approach to the development of its regulatory landscape—both individuals and industry associations—as time and practicality permit."

The meeting was used to inform BICA of information impacting accountants ahead of its release at two recent Industry Briefings and to address ongoing matters with the represented firms, according to the Executive Director.

Smith said the attention creates an opportunity to remind accountants, other industry stakeholders, and the broader public that it has a number of documents on its website (www.scb.gov.bs) for which feedback is being sought. The documents represent proposals that will impact the regulation of the securities, investment funds and financial and corporate service providers industries, and hence a host of Bahamian businesses and professionals.

Consideration of the feedback on the various proposals is integral to the Commission's objective of holistic, balanced regulation conducive to industry development. Smith cited the example of proposals for fees for FCSPS, which were recently reduced significantly upon consideration of the feedback received primarily from small and medium practitioners.

"There is certainly no discrimination at play in from whom we wish to have input," Smith said. "While the challenges that might emerge in a free market economy are understandable, the Commission does not engage in lobbying on behalf of any of its registrants as it relates to the business concerns and market participation expressed by the forum."

Smith added that the Commission is currently focused on critical issues arising out of the International Monetary Fund's Financial Sector Assessment Program (FSAP), implementing a new Investment Funds Act, and reviewing changes to the Financial and Corporate Service Providers Act. With this in mind, Smith said the SCB's attention would be directed to the aforementioned.

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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