

The Securities Commission of The Bahamas

NOTICE

Re: **GUIDANCE TO FINANCIAL SERVICES ON HURRICANE RELATED DISRUPTIONS**

GUIDANCE TO FINANCIAL SERVICE LICENSEES ON HURRICANE RELATED DISRUPTIONS

With the onset of the 2006 Hurricane season, it remains essential that licensees and registrants prepare for the possibility of events that could cause major operational disruptions and hence adversely affect the wider financial system in The Bahamas. The primary obligation to be resilient, recover from any potential disruption and manage any crisis remains and must remain that of the individual licensee. Nevertheless, support for, and encouragement of, the individual efforts of financial service licensees are top priorities of all the financial regulators in The Bahamas

The Securities Commission of the Bahamas (the Commission) takes the need to mitigate operational risks resulting from hurricane related disruptions very seriously and is aware that many licensees and registrants have developed extensive business continuity plans (BCPs) for dealing with an interruption to their business.

With the onset of the 2006 hurricane season, the Commission would like to draw the following key points to the attention of its licensees and registrants:

1. The creation and operation of BCP is the responsibility of each licensee and registrant individually, in particular the board of directors and senior management.
2. Those licensees and registrants that have not yet done so should submit their BCPs to the Commission for approval.
3. Once a plan has been approved, the licensee or registrant does not need to request the Commission's approval to activate it. However, the licensee or registrant should do all it reasonably can to inform the Commission as soon as possible after activation of its BCP.
4. Where a BCP requires the temporary physical relocation of Bahamas-based staff and operations to another jurisdiction, the licensee or registrant should take care in advance to ensure that the operations of those staff are not in breach of local law in that jurisdiction. The Commission for its part, will do everything it can to seek the co-operation of local regulators, particularly in neighbouring jurisdictions, to do all they can to facilitate the smooth temporary transfer of business.

5. Licensees and registrants should ensure that relevant Bahamas statutory requirements related to client confidentiality continue to be observed. In this regard licensees and registrants should have controls in place to ensure that the requirements of customer data confidentiality are observed and proper safeguards are established to protect the integrity of client information.
6. The Commission must be in a position to continue its supervision/regulation of the temporarily relocated functions of the licensee or registrant.

This guidance note may also be viewed on the Commission's website at www.scb.gov.bs in the Legislation and Policies section under the heading Notices.

Any questions regarding this guidance note should be directed to:

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