



# 2011 INDUSTRY BRIEFING

Wednesday, February 9, 2011



Securities Commission of The Bahamas

# UPDATESFROMTHE AUTHORIZATIONSDEPARTMENT

PRESENTER:  
LAVERNE THOMPSON  
MANAGER, AUTHORIZATIONS



Securities Commission of The Bahamas

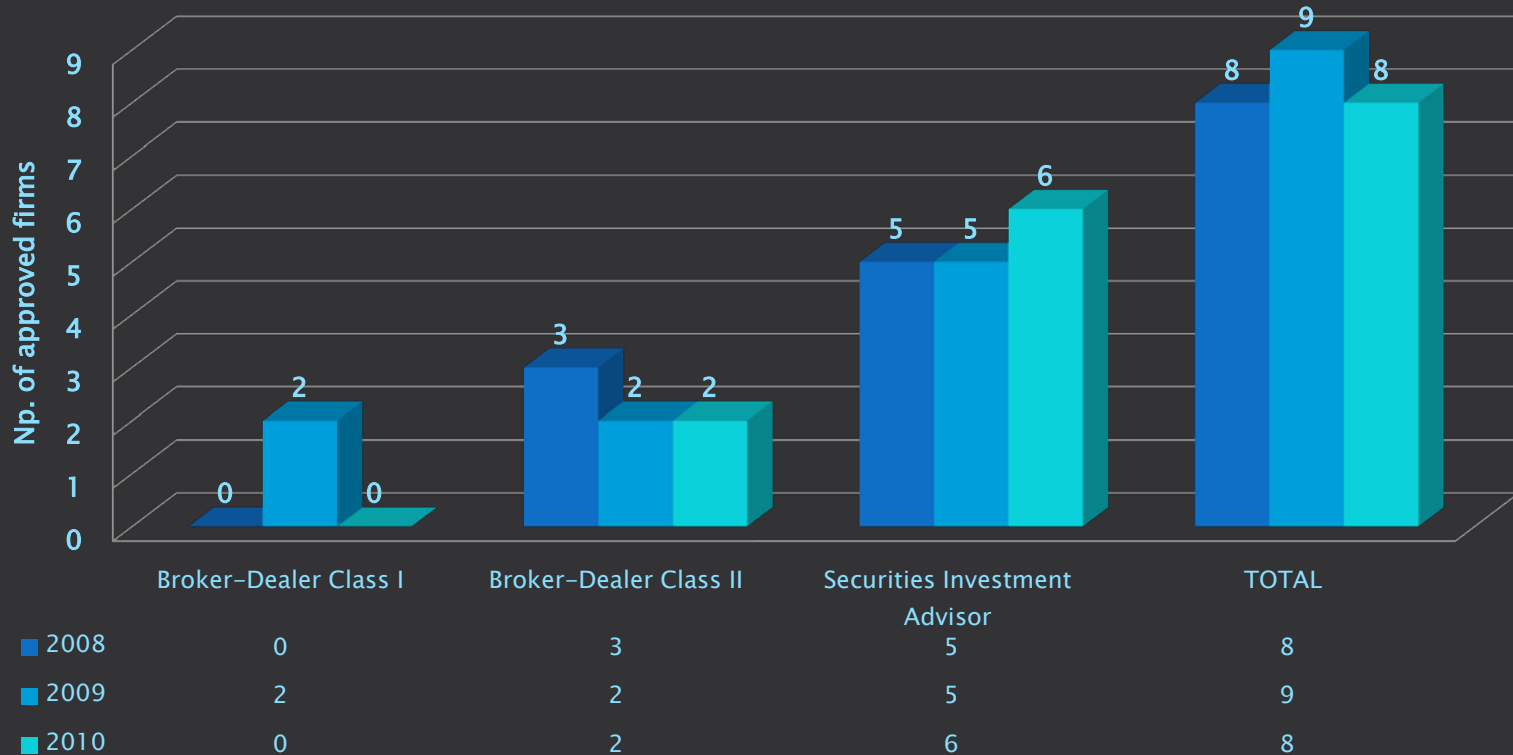
# FOCUS AREAS

- Overview of Licensing Activity and Trends
- Regulatory Developments
  - Money Laundering Reporting Officer
  - Financial and Corporate Service providers
  - Securities Registrar and Transfer Agents
- Improving Service Standards
  - Financial and Corporate Service Providers licensing requirements
  - Application and Query Response Time
  - Guidelines for timely submission and approval of an IPO
  - Guidelines for Issuance of Blank licenses to Unrestricted Investment Fund Administrators



# SECURITIES INDUSTRY ACT, 1999

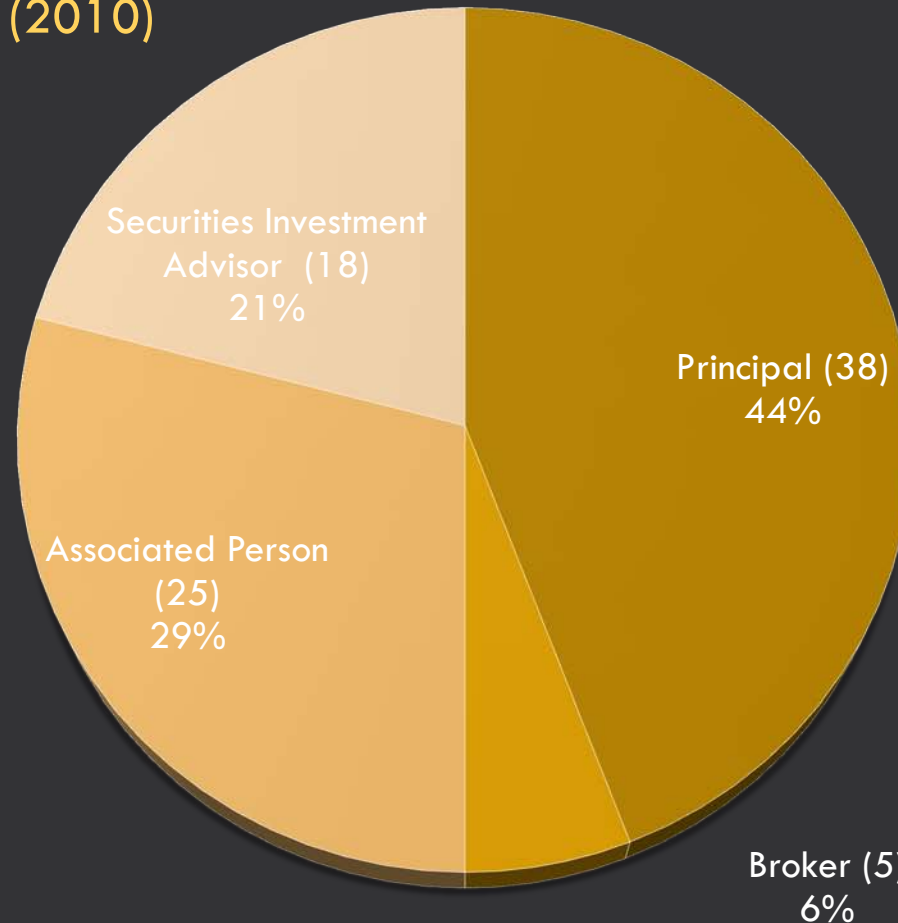
## Approved Firms (2008–2010<sub>p</sub>)



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# SECURITIES INDUSTRY ACT, 1999

APPROVED INDIVIDUALS (2010)



P – provisional

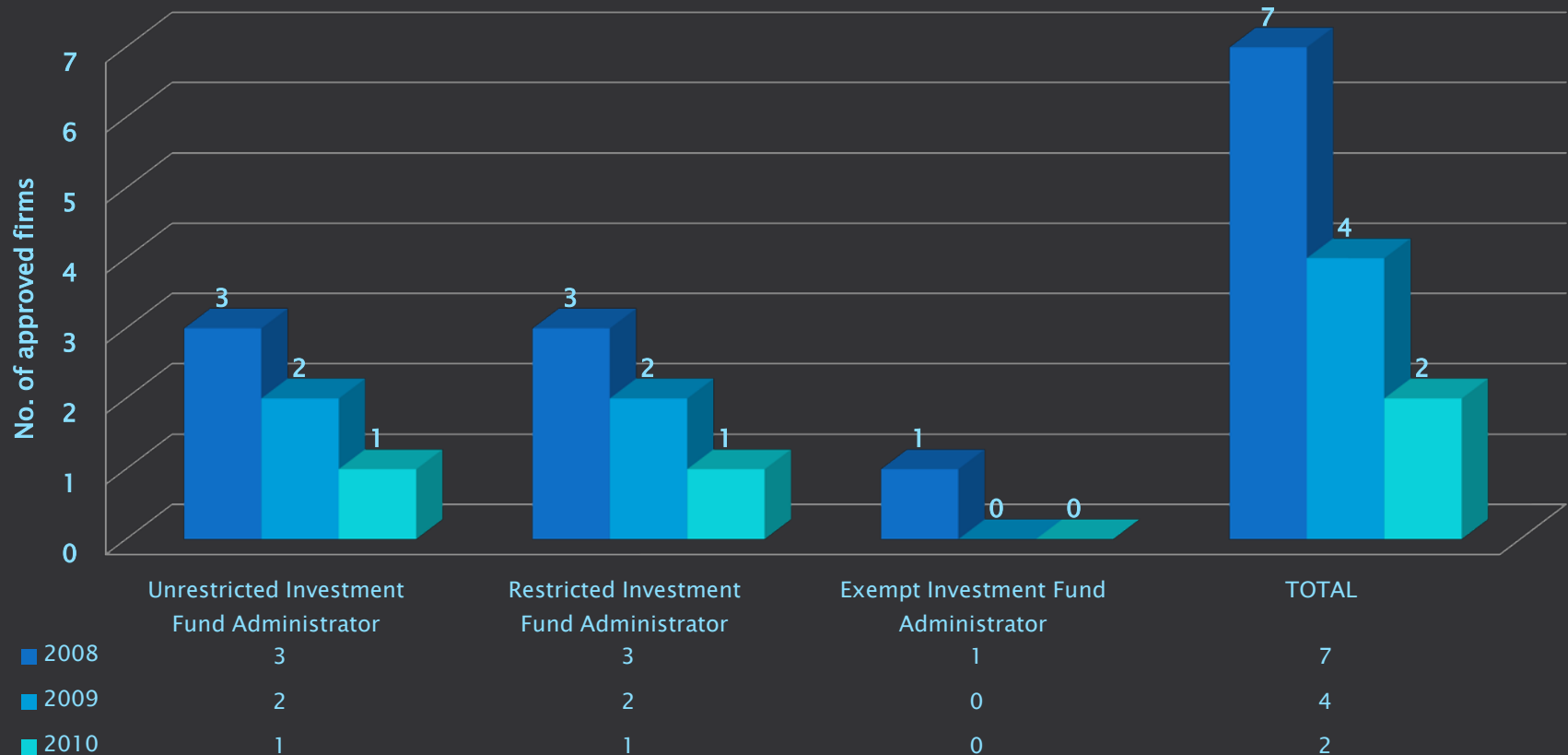
■ Principal   ■ Broker   ■ Associated Person   ■ Securities Investment Advisor



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# INVESTMENT FUNDS ACT, 2003

## Approved Firms (2008–2010<sub>P</sub>)



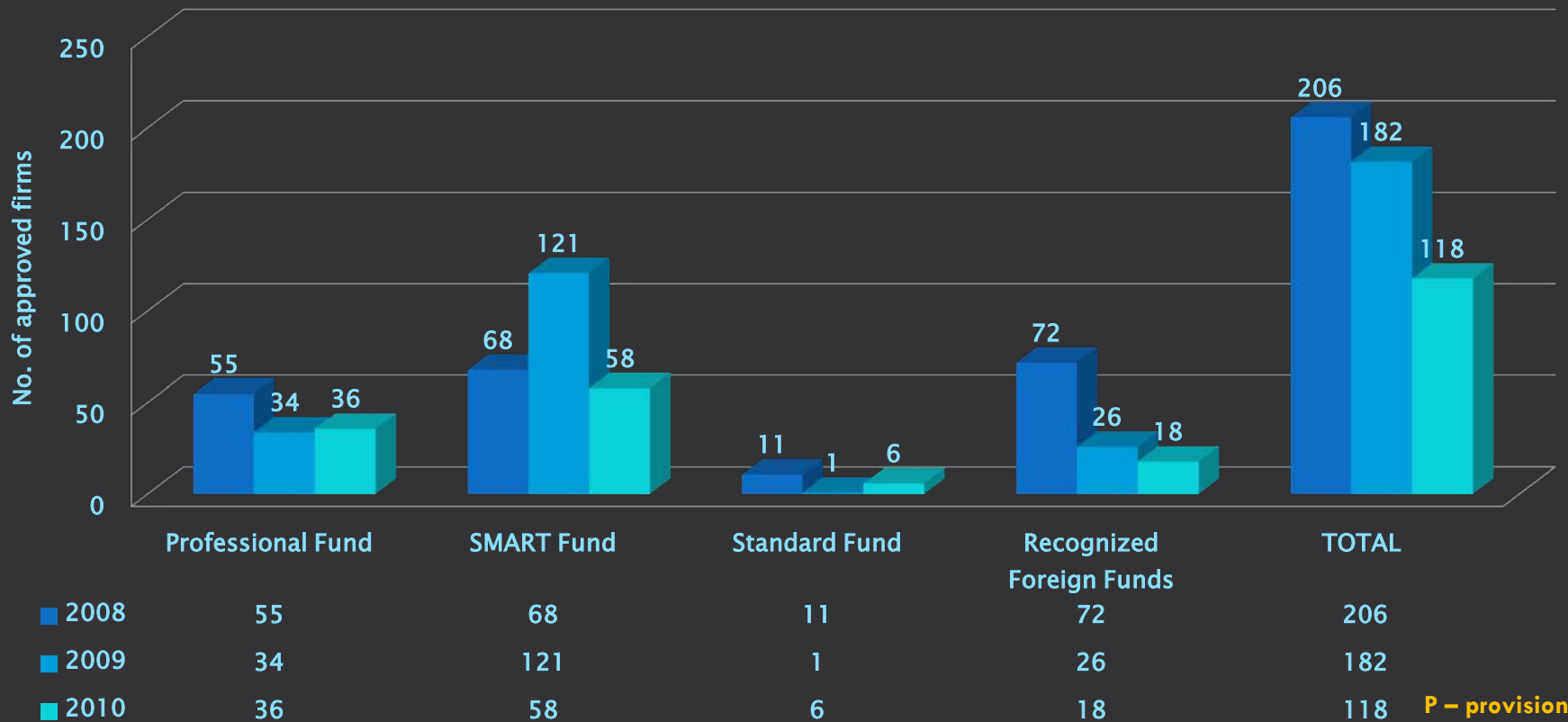
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# INVESTMENT FUNDS ACT, 2003

## Approved Investment Funds (2008–2010<sub>p</sub>)

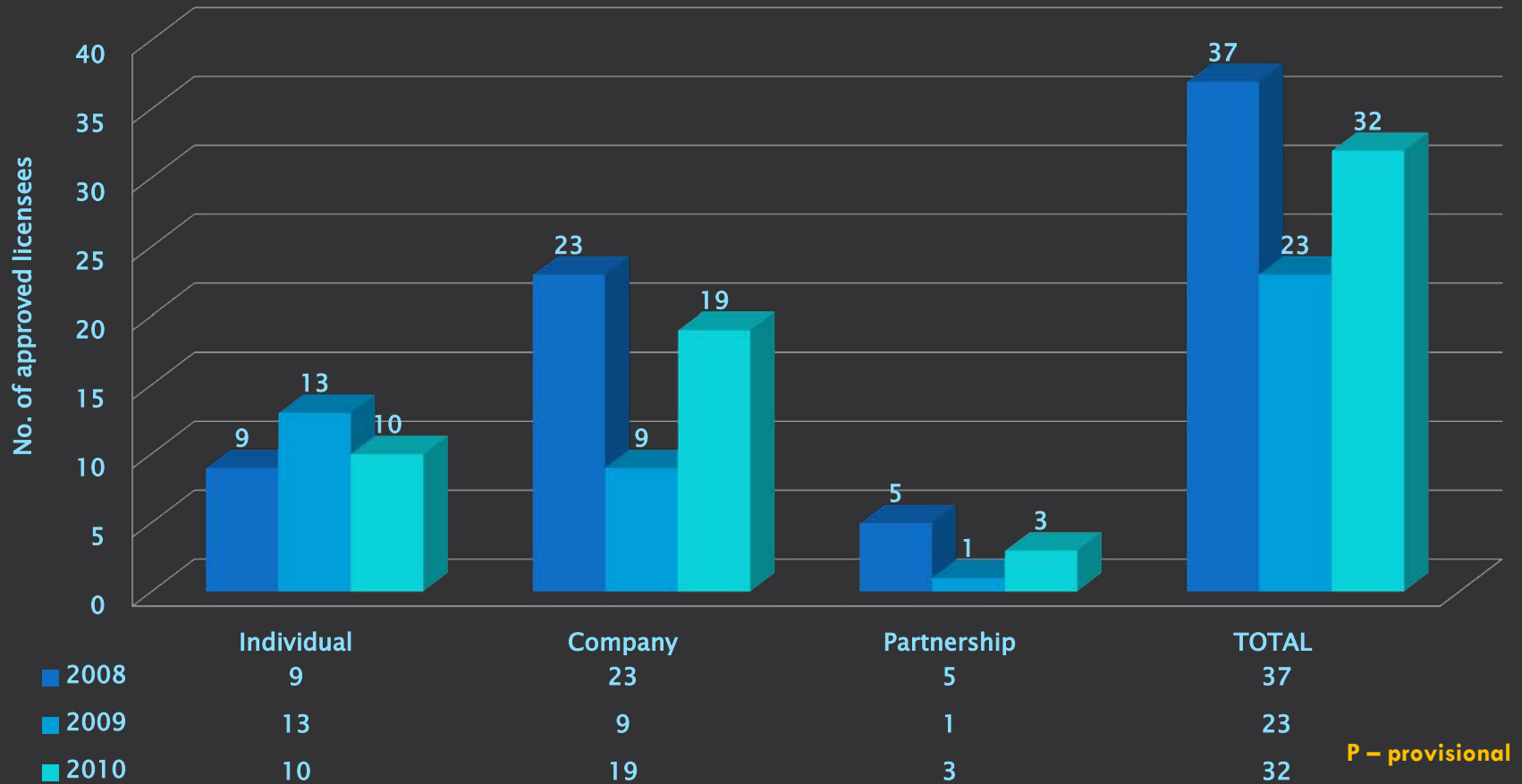


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# FINANCIAL AND CORPORATE SERVICE PROVIDERS ACT, 2000

## Approved Licensees

(2008–2010<sub>P</sub>)



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# REGULATORY DEVELOPMENTS

- Money Laundering Reporting Officers
- Financial and Corporate Service Providers
- Securities Registrar and Transfer Agents



# IMPROVING SERVICE STANDARDS

- Improving Service Standards
- Financial and Corporate Service Providers Licensing Requirements
- Application and Query Response Time
- Guidelines for Timely Submission and Approval of an IPO
- Guidelines for Issuance of Blank Licenses to Unrestricted Investment Fund Administrators



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# UPDATESFROMTHE MARKETSURVEILLANCEDEPARTMENT

PRESENTER:

SANDRA DUNCOMBE

ACTING MANAGER, MARKET SURVEILLANCE



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# UPDATES

- Investment Funds Act, 2003  
2010 Amendments
- Ongoing Initiatives



# UPDATES

- Oversight of the Secondary Markets
- Complaints Process
- Statistical Information



# STATISTICAL UPDATES

- Broker – Dealers
- Securities Investment Advisors
- Investment Fund Administrators
- Investment Funds
- Financial & Corporate Service Providers

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# BROKER-DEALERS

Broker-Dealers <sup>(p)</sup>			
Constitution Type		31 Dec. 09	31 Dec. 10
Class I	Bank & Trust Cos.	11	11
	Non Bank & Trust Cos.	3	3
		3	3
Class II	Bank & Trust Cos.	36	36
	Non Bank & Trust Cos.	2	2
		9	10
Total		64	65

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# SECURITIES INVESTMENT ADVISORS

<b>Securities Investment Advisors<sup>(P)</sup></b>			
<u><b>Constitution Type</b></u>		<u><b>31 Dec. 09</b></u>	<u><b>31 Dec. 10</b></u>
Bank & Trust Cos.		3	3
Non Bank & Trust Cos.		7	8
		38	39
<b>TOTAL</b>		<b>48</b>	<b>50</b>

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# ADMINISTRATORS

Administrators <sup>(p)</sup>				
Administrator Category			31 DEC. 09	31 DEC. 10
Unrestricted	Bank & Trust Cos.		24	25
	Non Bank & Trust Cos.		2	2
			8	8
Restricted	Bank & Trust Cos.		4	4
	Non Bank & Trust Cos.		4	4
			19	20
Exempt	Bank & Trust Cos.		1	0
	Non Bank & Trust Cos.		1	1
			1	1
TOTAL			64	65

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# INVESTMENT FUNDS

<b><i>Investment Funds</i></b> <sup>(p)</sup>		
<b>Fund Category</b>	<b><u>31 Dec. 09</u></b>	<b><u>31 Dec. 10</u></b>
Standard Funds	82	70
Professional Funds	259	243
Recognized Foreign Funds	183	158
SMART Funds	264	282
<b><i>TOTAL FUNDS</i></b>	<b>788</b>	<b>753</b>

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# FINANCIAL AND CORPORATE SERVICE PROVIDERS

## ***Financial and Corporate Service Providers<sub>(p)</sub>***

Category		<u>31 DEC. 09</u>	<u>31 DEC. 10</u>
Companies	Renewals	115	114
Partnerships	Renewals	30	34
Individuals	Renewals	97	103
<b>TOTAL</b>		<b>242</b>	<b>251</b>

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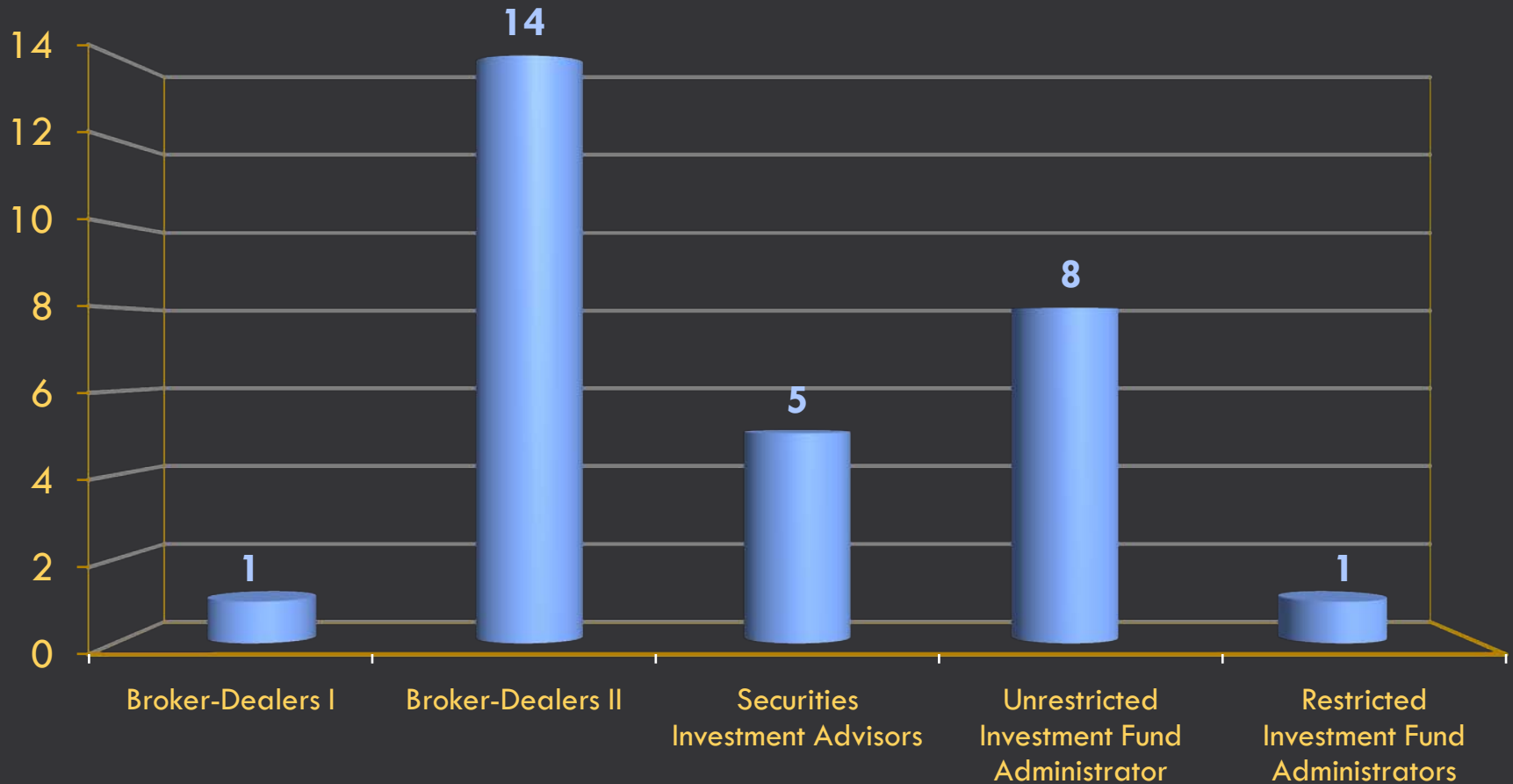
# UPDATES FROM THE INSPECTIONS DEPARTMENT

PRESENTER:  
DENISE O'BRIEN  
MANAGER, INSPECTIONS



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# 2010 INSPECTIONS BY LICENSE TYPE



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# COMMON INSPECTION FINDINGS

1. Contract Notes are to be transmitted in 24 hours and identify the broker-dealer involved in transaction
2. Unless exempted, a licensed fund *shall* send audited financial statements to the licensor within 6 months
3. Stock Brokers, Dealers, Traders and Associated Persons are to be registered with the Commission (and Commission is to be notified of changes in writing immediately)





# COMMON INSPECTION FINDINGS

- 4. A Fund Administrator requires prior written approval from Commission to appoint or change its director or CEO
- 5. Funds are to advise Commission of 'material change' to Fund or investor , *within 21 days* of occurrence
- 6. A registered firm must maintain customers funds and securities in a segregated account, separate and distinct from its own



# COMMON INSPECTION FINDINGS

- 7. A Broker-Dealer must give *immediate written notice* to the Commission of resignation of director or officer
- 8. It is a requirement for a Broker-Dealer to have a Compliance Officer, who must be a licensed Principal
- 9. Customer Account Form is to be signed by licensed Principal.



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# UPDATES FROM THE OFFICE OF LEGAL COUNSEL

PRESENTER:  
GAWAINE WARD  
DEPUTY LEGAL COUNSEL



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# Office of Legal Counsel

**Legislative  
Development**

**International  
Requests**

**Enforcement**

**Investigations**



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# OLC UPDATE 2011

Status of Outstanding Matters for  
2010

The Year Ahead - 2011 Activities

Statistics



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# STATUS OF 2010 MATTERS

- Securities Industry Bill 2010
- Investments Funds Legislation
- IOSCO MMOU
- Financial and Corporate Service Providers Act
- Statement of Practice



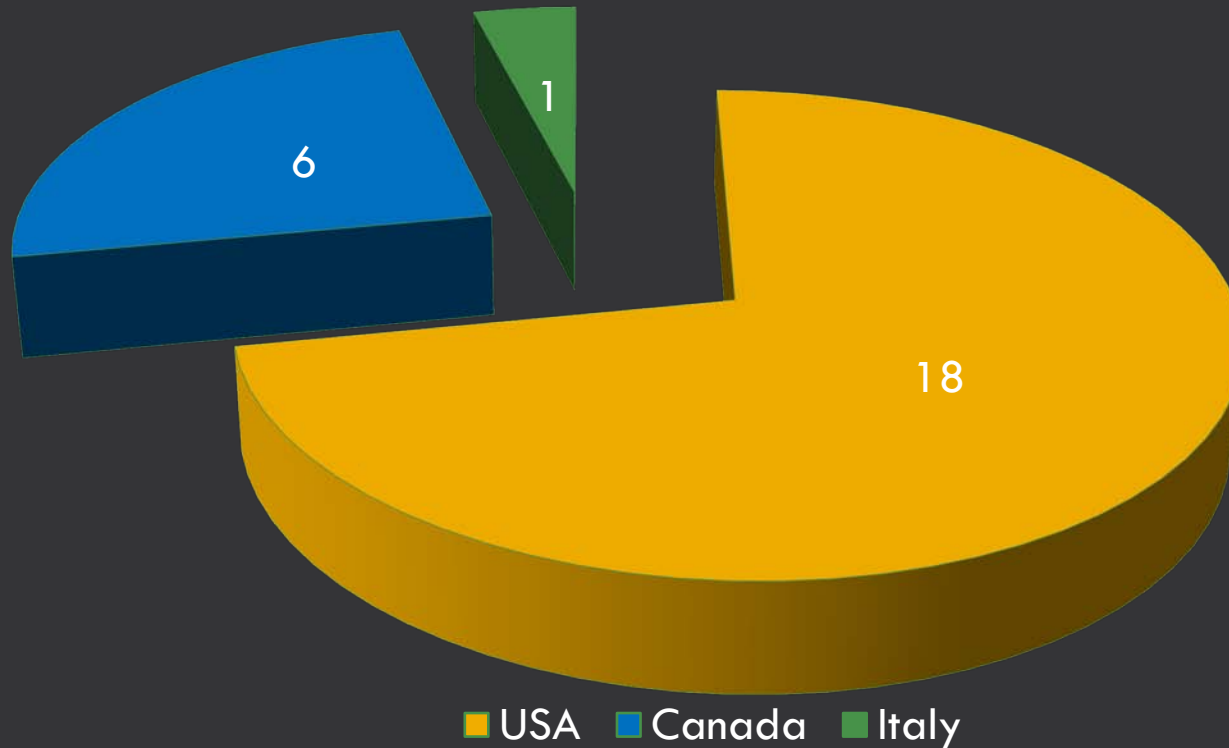
# LEGISLATIVE DEVELOPMENTS

- Investment Funds Legislation
- Financial Corporate Service Providers Act Review
  - Development of Amendments
- Securities Legislation
  - Rules and Guidelines
  - Implementation





# INTERNATIONAL REQUESTS

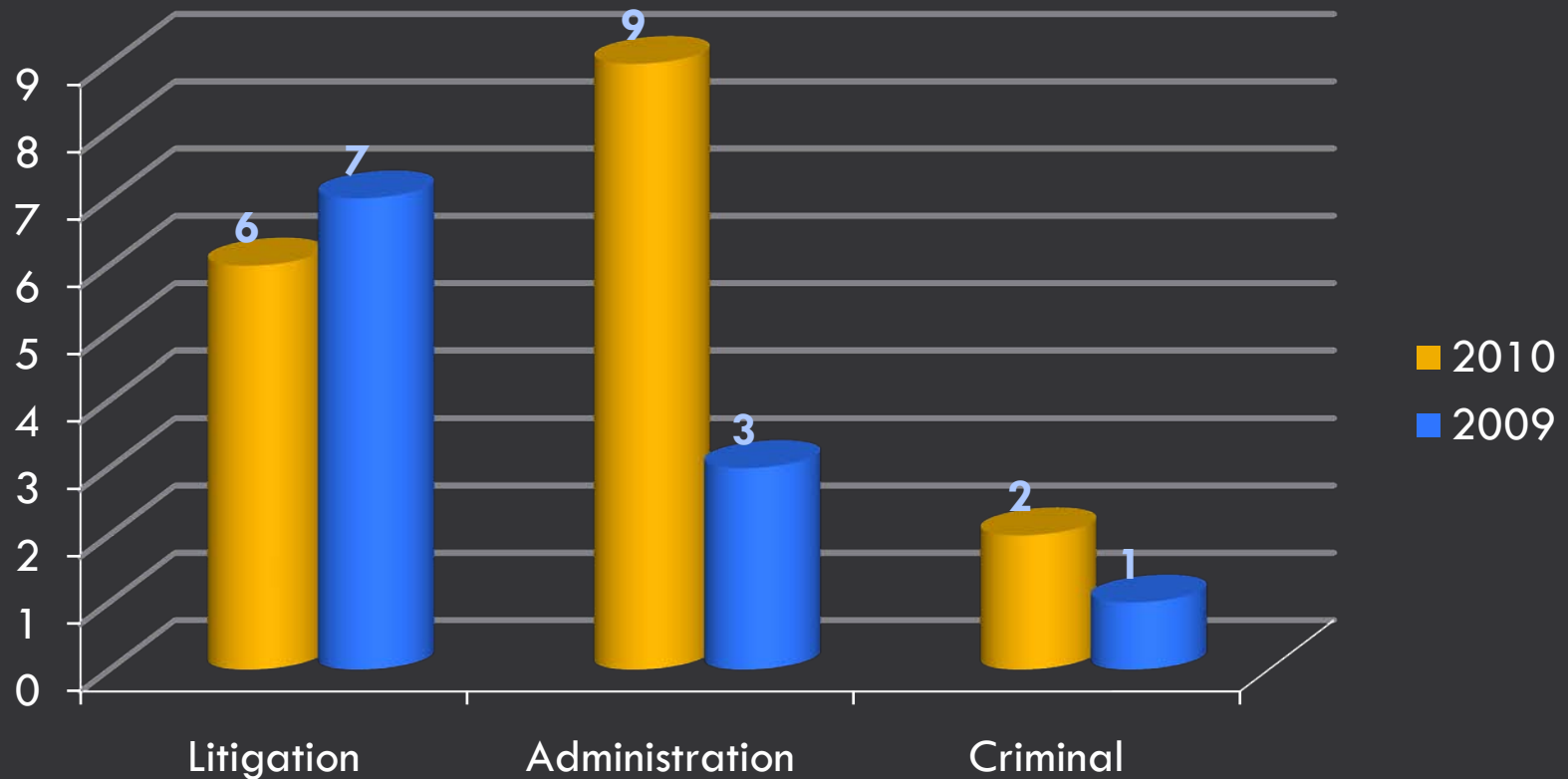


# INTERNATIONAL REQUESTS

YEAR	MATTERS BROUGHT FORWARD	NEW MATTERS	CLOSED MATTERS	REFUSALS (REQUESTS OR CONSENTS)	MATTERS CARRIED OVER
2010	28 (FROM 2009)	25	40	1	13
2011	13 (FROM 2010)	0	0	0	13



# ENFORCEMENT



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# INVESTIGATIONS

YEAR	MATTERS BROUGHT FORWARD	NEW MATTERS	CLOSED MATTERS	REFERRALS (AG'S OFFICE OR POLICE)	MATTERS CARRIED OVER
2010	13 (from 2009)	15	15	2	13
2011	13 (from 2010)	0	0	0	13



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# QUESTIONS & ANSWERS



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