

Securities Commission of The Bahamas

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MEDIA RELEASE

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Securities Commission Set to Join Leading Securities Regulators With EMMoU Approval

The Securities Commission of The Bahamas (“the Commission”) announced today that it joins a small group of securities regulators approved to be signatories to the International Organisation of Securities Commissions’ (IOSCO’s) new enforcement-related information-sharing agreement.

The new Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMoU) was adopted by IOSCO in 2017 and builds on the success of IOSCO’s prevailing information-sharing memorandum. Acceptance to participate in the new standard signals the Commission’s commitment and capacity to be at the fore of international regulatory cooperation to combat cross-border violations of securities laws.

“By being among the first jurisdictions to make an application to become a signatory to the EMMoU, the Commission, and by extension The Bahamas, is showing its commitment to and seriousness with respect to cross-border enforcement issues. The Commission continues to embrace opportunities to join with the global regulatory community in order to protect investors and to safeguard the integrity and efficiency of markets in a manner that respects this jurisdiction’s laws and regulations,” Christina Rolle, Executive Director of the Commission said.

The Commission’s Chairman, Robert Lotmore, thanked the Commission’s management team for its work on the EMMoU application and added that the Commission is shifting the narrative with respect to The Bahamas.

“Enforcement is a core tool for regulators. The ability to access relevant cross-border information is often vital for the investigation of criminal activity. By becoming an early adopter of the EMMoU, the Commission is shifting the narrative with respect to The Bahamas’ commitment to cross-border investigation and enforcement,” Lotmore said.

The EMMoU makes additional avenues available to regulators to cooperate to enhance the outcome of investigation and enforcement activity as compared with the prevailing standard (the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information, or MMoU). Referred to as “ACFIT” powers, they require signatories’ legal empowerment to:

- “Obtain and share **A**udit work papers, communications and other information relating to the audit or review of financial statements including with the assistance of a prosecutor, court or other authority,

- “Compel physical attendance for testimony (by being able to apply a sanction in the event of non-compliance) including with the assistance of a prosecutor, court or other authority
- “Freeze assets if possible or, if not, advise or provide information on how to Freeze assets, at the request of another signatory,
- “Obtain and share existing Internet service provider (ISP) records (not including the content of communications) including with the assistance of a prosecutor, court or other authority, and
- “Obtain and share existing Telephone records (not including the content of communications), including with the assistance of a court, prosecutor or other authority.”

According to IOSCO, the EMMoU was established “to keep pace with technological, societal and market developments; to bolster deterrence; and to ensure that IOSCO continues to meet its objectives.”

As of 24 October, IOSCO’s website listed six A1 signatories to the EMMoU: British Columbia Securities Commission, Securities and Futures Commission (Hong Kong), Ontario Securities Commission, Autorité des Marchés Financiers (Quebec), Monetary Authority of Singapore, and the Commodity Futures Trading Commission (USA).

The Commission’s application to be a signatory to the new standard was approved by the EMMoU verification committee in September 2018. The Commission anticipates executing the EMMoU once all of IOSCO’s procedural requirements are completed.



Mr. Robert V. Lotmore
Chairman
Securities Commission of The Bahamas



Ms. Christina Rolle
Executive Director
Securities Commission of The Bahamas

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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).**