



**CONSULTATION PAPER: P01-2019**  
*Draft* **EASTERN CARIBBEAN SECURITIES MARKET**  
**CORPORATE GOVERNANCE RULES**

**SEPTEMBER 2019**

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## **1. Draft ECSM Corporate Governance Rules**

The Eastern Caribbean Securities Regulatory Commission (Commission) in fulfilling its mandate to protect investors and to promote a fair, efficient and transparent securities market, is proposing to issue new Rules to the market. These new Rules, the “Eastern Caribbean Securities Market (ECSM) Corporate Governance Rules” (the Rules) will provide minimum corporate governance standards primarily for reporting issuers registered with the Commission. The implementation of these Rules would also facilitate these entities’ compliance with international corporate governance standards.

Once the Rules are approved by the Commission and published in the Official Gazette in the ECCU member countries, each public company that is registered with the Commission will be mandated to comply and acknowledge compliance with these Rules in its annual report.

The Commission is issuing these new rules for consultation, and is inviting market participants to provide comments on the said rules. At the end of the consultation period, the rules will be reviewed and amended where necessary and will proceed to the next stage of the process, publication in the Official Gazette in each ECCU member territory. Once published, the rules will be legalized for use by the market.

## **2. Summary**

The overall objective of the Commission is to promote a securities market that is fair, efficient and transparent, and as such, it is anticipated that the proposed rules, will foster a market where the board of directors, senior management and other relevant parties are held accountable and responsible to shareholders in the performance of their duties.

The issuance of the Rules and the successful enactment and compliance of the Rules will allow primarily for the safeguarding of stakeholders’ interest, through the Board’s performance of its duties.

The Rules once effected will strengthen and enhance our current regulatory framework on the matter of corporate governance, and will principally address the following:

- Composition, qualification, duties and remuneration of the Board;

- Company's relationship with shareholders with the objective of protecting shareholders' rights;
- Company's responsibility in implementing risk management and internal control policies;
- Accountability and reporting obligations of the Board of the Directors.

### **3. Scope**

3.1 The revised rules will apply to all public companies whose securities are listed on a securities exchange in the ECCU and any issuer that has or is proposing to raise capital through the issuance of its own securities in the ECS.

### **4. Consultation Period**

4.1 The consultation period commences on **Monday, 16 September 2019** and will end on **Friday, 18 October 2019**.

4.2 Electronic submission is encouraged and we would be grateful if the format outlined in the attached template is used to facilitate our collation efforts. Comments may be submitted via email to:

**Ms Samantha Lewis**

**Analyst I**

Eastern Caribbean Securities Regulatory Commission

Email: [samantha.lewis@eccb-centralbank.org](mailto:samantha.lewis@eccb-centralbank.org) and copy to [ecsrc@eccb-centralbank.org](mailto:ecsrc@eccb-centralbank.org).

4.3 A copy of the proposed rule will be available on the Commission's website at [www.ecsrc.com](http://www.ecsrc.com).