

THE SECURITIES COMMISSION OF THE BAHAMAS



**THE REGISTRATION PROCESS
FOR
FACILITY
REGISTRAR AND TRANSFER AGENT
PURSUANT TO THE SECURITIES INDUSTRY ACT, 1999**

Please submit applications and required documents to:

The Authorizations Department

The Securities Commission of The Bahamas
3rd Floor
Charlotte House
Charlotte & Shirley Streets
P.O. Box N-8347
Nassau, New Providence
The Bahamas

Tel: (242) 397 - 4100

Fax: (242) 356-7350

Email: info@scb.gov.bs

Website: www.scb.gov.bs

Applications are not considered complete until all supporting documents are received.

1. INTRODUCTION

The Securities Commission of The Bahamas (“the Commission”) has responsibility for the licensing, regulation and supervision of the securities and investment fund industries of The Bahamas pursuant to the Securities Industry Act, 1999 (“SIA 1999”). Section 20 (1) of the SIA 1999, prohibits any person from carrying on business as a clearing, depository, custody, or other ancillary facility in the Bahamas unless they are registered by the Commission.

As such, this process sets out the Commission’s regulatory approach to an application for registration as a Facility on the basis of conducting registrar and transfer agency services which facilitate or are ancillary to the operations of a securities exchange with regards to non-government public issuers. This approach will be used when evaluating applications and making recommendations to the Executive Director regarding their approval.

A **Registrar and Transfer Agent (RTA)** means any corporate body appointed by any person or group of persons to carry on the following activities on its or their behalf:

- Ensuring proper management of the subscription process and securities allotment in accordance with public offerings;
- Recording securities owners’ books after the securities allotment process has been completed in the primary market;
- Preparing reports on the completion and success of the securities depositing at the securities depository operator to the issuer;
- Sending notification to securities holders by indicating the ownership of securities under the subscription process of the issuer;
- Administration works related to the changes in ownership register, preparing reports, statistics and other relevant information;
- Preparing works related to the corporate actions provided by the issuers such as the notification of dividend, interest, and principle payments;
- Sending notification and other information to securities holders and dispute resolution related to the securities ownership;
- Calculating dividend, principle or other payments provided for securities holders or relevant parties following the instructions of the issuers;
- Payment on behalf of the issuers to securities holders or other relevant parties;
- Sending necessary notices related to the payment and other information to the securities holders and preparing reports related to the payments to issuer and the Commission as necessary;
- Countersigning securities upon issue by the issuer;
- Transferring ownership of securities by bookkeeping entry without physical issuance of securities certificates; and
- Other relevant services approved by the Commission.

These requirements are not applicable to a department/division of a body corporate responsible for maintaining the records of holders of securities issued by them and dealing with all matters connected with the transfer/redemption of its securities.

2. REGISTRATION PROCESS

A. Submission of Documents:

Pursuant to Section 20 (2) of the SIA 1999, applicants who wish to provide ancillary services shall be companies incorporated under the Companies Act, 1992 and shall apply for registration to the Securities Commission of The Bahamas through the Authorizations Department. Applications shall be made by completion of Form B in the Fifth Schedule of the Securities Industry Regulations, 2000 accompanied by the prescribed application fee of \$1,500 and the following:

- a) Evidence of paid up capital solely in that company in the amount of \$50,000;
- b) Evidence of professional indemnity insurance on behalf of its directors, officers and employees;
- c) A detailed description of the applicant's operational capabilities, including the physical premises, the operational systems, security, communications and risk management systems;
- d) A summary of the applicant's written supervisory, internal controls and risk management policies and procedures. Attach a complete copy of these policies and procedures;
- e) A summary of the applicant's rules/proposed rules including rules regarding business conduct. Attach a complete copy of these rules;
- f) A detailed three - year business plan, which shall include financial and operational projections, staffing requirements and transaction projections;
- g) A copy of the complete schedule of fees and any other charges;
- h) A list of issuer names, to which the applicant provides or intends to provide services;
- i) Signed declarations by the chief executive officer and the treasurer that the company is in compliance with all the requirements of the Act and regulations;
 - Where the applicant has commenced operation for more than six months prior to application date the following must be submitted: audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
 - the auditor's report accompanying the financial statements;
 - the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete; and
- j) Such other information as the Commission deems necessary.

In the event that the applicant applying for a licence as an Ancillary Facility does not also perform securities depository functions, the applicant shall submit copies of any agreements made with any persons/entities regarding changes in securities ownership in the account records managed by the persons/entities.

Any one or more of the following persons/entities may be direct or indirect shareholders in a registered facility:

- (a) a Securities Exchange;
- (b) a broker-dealer;
- (c) a bank licensed under the Banks and Trust Companies Regulation Act; or
- (d) any person approved by the Commission.

If the Applicant has any significant shareholders that are companies, the Applicant must also submit for each such shareholder:

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

Required attachments:

1. Copy of the Applicant's written supervisory, internal controls and risk management policies and procedures;
2. Evidence of the Applicant's good standing with the Registrar of Companies;
3. Certified copy of the Applicant's Memorandum and Articles of Association, or equivalent incorporation documents;
4. Copies of required financial statements; and
5. Evidence of the Applicant's registration with any other regulatory authority, if applicable.

B. Acknowledgement Letter: The Department will review the application, along with the documents submitted, to ensure that the application is complete and all required supporting documents have been submitted and are in compliance with the legislation. An acknowledgement letter confirming receipt of the application form, supporting documents, and application fee will be prepared, further advising of any identified deficiencies within the application or documents, requesting that they be addressed within ninety days, failing which the application will be stale dated.

- C. Address Deficiencies:** The entity is required to address the deficiencies identified. The Department will review further submissions so as to satisfy itself that all deficiencies have been addressed and the legal and statutory requirements have been met. It is possible that a meeting may be requested, with the applicant depending on the adequacy of responses to the queries raised by the Department during its review. The review process is estimated at 4 weeks, however the timeline is heavily dependent on the completeness of the information submitted.
- D. Review and Request for Filing Fees:** Once the Department is satisfied that all deficiencies have been addressed and the legal and statutory requirements have been met the application will be submitted to the Executive Director for approval. Once approved a letter will be sent to the applicant advising of the requisite registration fee, and prorated annual fee.
- E. Letter of Approval:** Once the fees are received, the letter of approval and licence certificate is prepared and sent indicating registration.