

Securities Commission of The Bahamas	
Filing of Audited Financial Statements Policy	
Ref: PSs135.2-170217(2)	

1. APPLICABILITY & SCOPE

- 1.1 This policy position is applicable to any person who, pursuant to the Securities Industry Act, 2011 (the "SIA") or the Investment Funds Act, 2003 (the "IFA") is required to file with or deliver to Securities Commission of The Bahamas (the "Commission") annual audited financial statements.
- 1.2 This Commission has published its *Assessment of Automatic Administrative Penalties Policy*, which addresses failure to file annual audited financial statement in a timely manner, among other things. This policy provides specific information to registrants and licensees regarding applying for an extension to filing/delivery deadlines for audited financial statements, including associated penalties and fees.

2. COMMENCEMENT DATE

- 2.1 This policy commences with immediate effect.

3. BACKGROUND & AUTHORITY

- 3.1 The Commission has authority, pursuant to section 13(j) of the SIA, to publish notices, guidelines, bulletins, and policies describing the views of the Commission regarding the interpretation, application, or enforcement of securities laws in the discharge of its function.
- 3.2 Pursuant to section 135(2) of the SIA, any person in breach of any provision of securities law solely by reason of failing to file with or deliver to the Commission a document within the required time period shall be subject to an automatic penalty of up to \$1000, or as prescribed, for every day from the day the document was required to be filed or delivered to the day the document was filed or delivered.
- 3.3 Securities laws prescribe the deadlines for filing with or delivering to the Commission requisite annual audited financial statements. The prevailing deadlines and legislative references are summarized in the table below:

Licensee/Registrant	Filing Deadline/Deadline For Delivery to the Commission	Legislative Requirement
Registered Firms (Dealing in Securities, Arranging Deals in Securities, Managing Securities and/or Advising on Securities)	No later than the 120 th day after the end of the financial year	Securities Industry Regulations, 2012, (the "SIR") r. 49(1)
Market Places and Clearing Facilities	No later than the 120 th day after the end of the financial year	SIR r. 30(1)

Public Issuers	No later than the 120 th day after the end of the financial year	SIR r. 101(1)
Investment Fund Administrators	Within four months of the end of the financial year	IFA, 2003 s. 42
Investment Funds	Within six months after the end of the financial year	IFA, 2003 s. 31(2)

4. PROCEDURE FOR NOTIFYING REGISTRANTS OF PENALTIES

- 4.1 The assessment of penalties commences the calendar day immediately following the date that the audited financial statement was required to be filed with or delivered to the Commission.
- 4.2 Where a licensee or registrant fails to file or deliver requisite annual audited financial statements by the filing/delivery deadline, the registrant will be notified via letter that the prescribed administrative penalty will be applied for each day that the audited financial statements are outstanding.

5. TREATMENT OF PUBLIC HOLIDAYS AND WEEKENDS

- 5.1 If the deadline for filing/delivery of audited financial statements falls on a weekend or public holiday, the working day immediately following the weekend or public holiday will be treated as the date the audited financial statement is due to be delivered to or filed with the Commission for the purpose of assessing the administrative penalty.

6. DAILY AUTOMATIC ADMINISTRATIVE PENALTY

- 6.1 A penalty of \$200 per day shall accrue for each calendar day that the audited financial statements are outstanding, commencing the calendar day immediately following the date the document was due to be filed or delivered.
- 6.2 If the registrant/licensee remains delinquent in filing/delivering requisite audited financial statements to the Commission after 60 days following the date the document was due to be delivered or filed, the matter will be referred to the Commission's enforcement process for further action, which may include the revocation of the license.

7. APPLICATION FOR EXTENSION/EXEMPTION

- 7.1 If a registrant/licensee wishes for the Commission to consider granting an extension or waiver to the deadline to file/deliver annual audited financial statements, the registrant/licensee must apply to the Commission in writing no less than seven calendar days prior to the statutory delivery/filing deadline.
- 7.2 The written application must clearly state the reason why the registrant/licensee anticipates it will be unable to file the annual audited financial statements within the prescribed timeframe and must propose a new "due date" by which the registrant/licensee commits to submit the audited statements.
- 7.3 Licensees/registrants will be assessed a fee of \$500.00 for the processing of any application for an extension/waiver to file requisite audited financial statements, whether or not the request is approved by the Commission.

- 7.4 If the application for an extension/waiver is submitted to the Commission less than seven calendar days prior to, or after, the filing/delivery deadline, an additional penalty of \$500 will be applied for failing to request an extension/waiver in a timely manner. Additionally, if the application for an extension/waiver is submitted less than seven calendar days prior to, or after, the filing/delivery deadline, once the audited financial statements become due, the \$200 penalty will accrue for each day the audited financial statement is outstanding until such time as the Commission approves the extension/waiver.
 - 7.5 In the event the Commission declines to approve a late extension/waiver request the automatic daily penalty applies as described in section 6.
 - 7.6 If approved for an extension/waiver, registrants/licensees will be notified in writing by the Commission and a new due date will be communicated.
 - 7.7 Once an extension/waiver request has been approved, a registrant or licensee will no longer be considered delinquent in the filing of the audited financial statements as long as they are filed by the date specified by the Commission in the extension approval letter.
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