



Official opening of Poinciana House. From left: Andrew Strachan, Inspector, Compliance Commission; K Peter Turnquest, Minister of Finance; Michele Fields, Superintendent, Insurance Commission; Prime Minister Dr Hubert Minnis; Christina Rolle, Executive Director, Securities Commission; and Robert Lotmore, Chairman, Securities Commission.

REGULATORY UPDATES

Consultation Documents

Investment Funds (Amendment) (No. 2) Bill, 2019 Consultation Period: ended 31 December 2019

The draft **Investment Funds (Amendment) (No. 2) Bill, 2019**, will apply to all registrants and licensees under the Investment Funds Act, 2019 and any such firm or individual to be registered or licensed under the Investment Funds Act, 2019; including investment funds, investment fund administrators, investment fund managers and any other parties related to investment funds.

Investment Funds (Fee) Rules, 2019 Consultation Period: ended 31 December 2019

The draft **Investment Funds (Fee) Rules, 2019**, prescribes the fee requirements for firms and individuals carrying on investment funds business in or from The Bahamas.

These Rules will apply to all registrants and licensees under the Investment Funds Act, 2019 and any such firm or individual to be registered or licensed under the Investment Funds Act, 2019; including investment funds, investment fund administrators, investment fund managers and any other parties related to investment funds.

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Investment Funds Regulations, 2019

Consultation Period: ended 20 December 2019

The draft **Investment Funds Regulations, 2019**, is subsidiary to the Investment Funds Act, 2019, and provides the procedural and operational framework for the implementation of the provisions of the IFA, 2019.

These Regulations will apply to all registrants and licensees under the Investment Funds Act, 2019, and any such firm or individual to be registered or licensed under the Investment Funds Act, 2019; including investment funds, investment fund administrators, investment fund managers and any other parties related to investment funds.

Investment Funds (Prescribed Jurisdictions) Rules, 2019

Consultation Period: ended 20 December 2019

The draft **Investment Funds (Prescribed Jurisdictions) Rules, 2019**, will establish the countries and jurisdictions that are “prescribed jurisdictions” for the purposes of the Investment Funds legislative regime. The Rules apply to any person licensed or registered pursuant to the Investment Funds Act, 2019.

MEDIA RELEASES/ALERTS AND NOTICES

Media Release

Securities Commission Launches Fintech Hub
Issued: 13 December 2019

The Commission’s Board approved the launch of the Financial Technology (Fintech) Hub, SCB FITLink. SCB FITLink will serve as the central point of contact for the Commission’s engagement with the public on various issues related to Fintech, such as virtual assets business, crowdfunding, distributed ledger technology, artificial intelligence and virtual initial offerings.

<https://bit.ly/35wsOXy>

Public Notice

Re: Pacifico Global Advisors Ltd.
Issued: 9 January 2020

The Commission issued this notice on the Pacifico Global Advisors Ltd. liquidation.

<https://bit.ly/2thEqjg>

JANUARY 2020

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FEBRUARY 2020

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INDUSTRY BRIEFINGS/ EVENTS AND MEETINGS

- 16 Bahamas Business Outlook
- 20 Industry Briefing, Office of the Attorney General, BOSSs
- 31 8th Annual Arbitration & Investment Summit 2020

- 19 BFSB Workshop: Financial Crimes Enforcement, Compliance and Risk Mitigation

- 20 Joint FCSP Authorised Agent Training, Securities Commission/Compliance Commission Webinar

- 20 SIA Registrants Regulatory Capital Information Session, Securities Commission Webinar

- TBD Industry Briefing, SIA/IFA, Securities Commission

SPEECHES AND PRESENTATIONS

Mechelle Martinborough, Senior Legal Counsel

Regulatory Updates: Complying with the New Laws

5 December 2019: 9th Annual Fraud, Ethics and Compliance Seminar presented by the Bahamas Chapter of the Association of Certified Fraud Examiners (ACFE) and The Bahamas Institute of Chartered Accountants (BICA).

<https://bit.ly/34wxjA7>

UPCOMING INDUSTRY BRIEFINGS/EVENTS AND MEETINGS

31 January 2020: 8th Annual Arbitration & Investment Summit 2020: "A Clear Vision For Your Future". Warwick Paradise Island. For more information and to register visit www.maynardlaw.com

19 February 2020: Bahamas Financial Services Board Workshop: Financial Crimes Enforcement, Compliance & Risk Mitigation, British Colonial Hilton, 8:30am-5pm. For more information and to register visit

bfsb-bahamas.com/event/workshop-financial-crimes-enforcement-compliance-risk-mitigation/

20 February 2020: Joint FCSP Authorised Agent Training Securities Commission/Compliance Commission. Open to current BICA-licensed accountants and accounting firms to qualify as Commission-authorized FCSP examiners.

20 February 2020: SIA Registrants Regulatory Capital Webinar. Information sessions to assist in preparation of annual financial statements in accordance with the Securities Industry Act, 2011.

4 March 2020: Bahamas Economic Outlook, "Colliding Global Interests: Assessing the Impact." Annual conference that brings together leading thinkers and doers to explore how global business, technology, science, finance, politics and culture shape The Bahamas' economy. Baha Mar Convention Center. For more information and to register visit

<https://www.rfbeo.com/>

ON THE HORIZON

The **Investment Funds Regulations, 2019** (IFR, 2019), is anticipated to be passed this year following implementation of the Investment Funds Act, 2019, which came into effect 1 September 2019.

The **Digital Assets and Registered Exchanges Bill, 2020 (DARE Bill)**, is also anticipated to be enacted this year. The legislation will be administered by the Securities Commission of The Bahamas and will regulate initial token offerings (ITOs), digital asset businesses, including digital token exchanges, sponsors of ITOs and digital custody services and other digital asset service providers. Once enacted any person conducting digital asset business in or from The Bahamas will require registration under the Act.

2020 EXAMINATION PRIORITIES

In an effort to promote transparency of the examinations process and highlight the top identified areas of risk in the securities sector, the Commission has established its examination priorities for the 2020 calendar year. This aligns with the Commission's mandate to maintain surveillance over, as well as to formulate principles to regulate and govern investments funds, securities and the capital markets, to ensure orderly, fair and equitable dealings, and to protect investors. To view the priorities visit www.scb.gov.

DOING BUSINESS



PROTECTION OF MINORITY INVESTORS

The Bahamas now ranks 88th (previously 132nd) in the category Protecting Minority Investors by the World Bank Doing Business 2020 publication.

FILINGS WATCH

Obligations* for licensees and registrants pursuant to the Securities Industry Act, 2011 (SIA) and the Securities Industry Regulations, 2012 (SIR), the Investment Funds Act, 2019 (IFA) and the Investment Funds Regulations, 2003 (IFR) and the Financial and Corporate Service Providers Act, 2000 (FCSPA).

Renewal of License Fees (SIA, IFA)

Registered Firms & Individuals (SIA, Regulation 45); Marketplaces and Clearing Facilities (SIA, Regulation 35, Form 7, Schedule 2); Investment Funds Administrators (IFA, Section 36); Investment Funds (IFA, Section 27 (1)) should pay to the Commission renewal of license fees on or before 31 January 2020.

Annual Information Update Form (SIA)

Registered Firms & Individuals (SIA, Regulation 45, Form 10, Schedule 2); Marketplaces and Clearing Facilities (SIA, Regulation 35, Form 7, Schedule 2) should file with the Commission annual update forms on or before 31 January 2020.

**Date specific items only. Regulated entities under SIA, 2011; IFA, 2019 and FCSPA, 2000 should refer to legislation and issued rules in order to remain compliant with their ongoing reporting obligations.*

INTERNATIONAL MEMBERSHIPS

IOSCO Committee on Regulation of Market Intermediaries (Committee 3)

3-4 December 2019. Mumbai, India. **Attendees:** Christina Rolle, Executive Director; Christian Adderley, Manager, Policy and Compliance; Dana Munnings-Gray, Manager, Supervision (SIA/FCSP).

Committee 3 promotes investor protection and market efficiency through recommendations on issues relating to market intermediaries. The meetings were held to further the discussion on retail distribution, digitalization and the increased use of online distribution and marketing models to avoid licensing and conduct rules that may result in investor harm.

IOSCO Committee on Enforcement and the Exchange of Information (Committee 4)

1-3 October 2019. London, UK. **Attendees:** Christina Rolle, Executive Director; Mechelle Martinborough, Senior Legal Counsel; Gawain Ward, Manager, Enforcement.

Committee 4 aims to help detect and prevent breaches of securities laws and regulations in global financial markets and determine ways to implement global enforcement cooperation under the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU), and the IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMOU).

These meetings occur normally on a quarterly basis and cover review of matters related to enforcement issues, such as research on whether sanctions effected or deterred further infractions by individuals and parties. Additionally, the committee regularly reviews applications for becoming a signatory to either or both of the two Memoranda.

RECOMMENDED READING

"The future of funds in The Bahamas"

by Christina Rolle;

The Bahamas Investor, Fall/Winter 2019;

digital.bahamasnet.com/go/thebahamasinvestor_july_2019/

Gateway: The Bahamas Financial Review

BFSB's semi-annual publication with the primary objective and focused theme showcasing the "Bahamas Advantage".

bfsb-bahamas.com/publications/gateway/winter2019-2020/

Doing Business 2020

The World Bank Group flagship publication, the 17th in the series of annual studies, measures the regulations that enhance and constrain business activity. The publication presents quantitative indicators on business regulations and the protection of property rights across 190 economies from Afghanistan to Zimbabwe.

<https://www.doingbusiness.org/>

The Future of Finance: The Impact of FinTech, AI, and Crypto on Financial Services

by Henri Arslanian and Fabrice Fischer

From the cover: This book, written jointly by an engineer and artificial intelligence expert along with a lawyer and banker, is a glimpse on what the future of the financial services will look like and the impact it will have on society.

FEEDBACK

For feedback, questions or to provide information please email: oed@scb.gov.bs, reference SCB Brief V1, I1.

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