



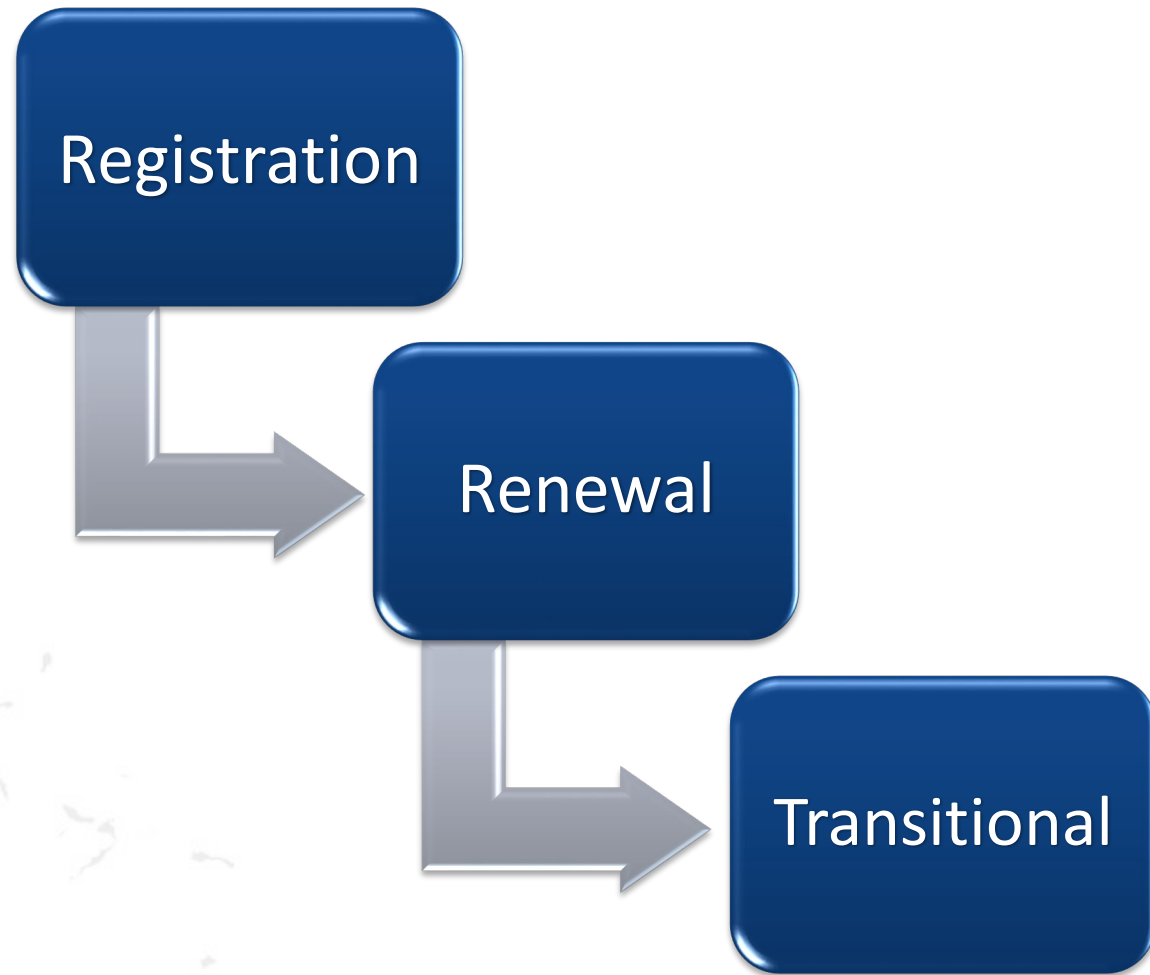
Digital Assets and Registered Exchanges Bill

Registration And Ongoing Obligations

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Manager, Supervision
Securities Commission of The Bahamas

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Agenda



Forms of Digital Asset Businesses, s. 6



- A digital token exchange;
- A business providing services related to a digital token exchange;
- Operating as a payment service provider business utilizing digital assets;
- Operating as a Digital Asset Service Provider, including providing Distributed Ledger Technology or “DLT” platforms;
- Participating in and providing financial services as it relates to token issuance and sales;
- Any other activity which may be prescribed by regulations.



What is required for successful registration as a Digital Asset Business?



- You **must** be a legal entity duly incorporated, established or registered under the laws of the Commonwealth of The Bahamas, and **intending** to provide and operate a digital asset business;
- You **shall** complete and submit the requisite application forms:
 - Form 1 - Application for Registration as a Digital Asset Business
 - Form 2 - Personal Questionnaire for Directors, Founders, Beneficial Owners Officers, and Significant Interest Holders.
 - Form 3 - Chief Executive Officer Compliance Officer and Money Laundering Reporting Officer



Successful Registration as a Digital Token Exchange:

- In addition to the requirements under s.8:
 - ✓ Legal Entity;
 - ✓ Form 1, **Part A**, *First Schedule* - Registration as a Digital Asset Business
 - ✓ Form 2, **Part A**, *First Schedule* - Personal Questionnaire
 - ✓ Form 3, **Part A**, *First Schedule* - C.E.O., C.O., MLRO
 - ✓ Payment of the prescribed application fee
- The applicant is invited to submit the following:
 - Form 1, **Part C**, *First Schedule* – Application for Registration of a Digital Token Exchange;
 - Provide the Commission with a copy of the Rules of Exchange for approval;
 - Any other document or information the Commission may require.



Registration as a Digital Asset Business and Digital Token Exchange

s.8 and s.15

- Certified Copy of the Memorandum and Articles of Association;
- Certified Copy of the Certificate of Incorporation;
- Certificate of Good Standing;
- Register of Members and Directors;
- Business Plan;
- Due Diligence Documents for all respective applicants subject to registration using Forms 2 and 3, Part A.



Requirements to offer additional activities for Current Licensees of:

- ✓ Securities Industry Act;
- ✓ Investment Fund Act; and
- ✓ Financial Corporate Service Providers Act.

Complete Form 1

Form 1, Part B,

Application by Registered Digital Asset Business, Registered Firm, or Financial and Corporate Services Provider to Carry on Digital Asset Business Services

Notice to the Commission

Section 53(1)(a)

Notify the Commission within five days of the change.

Documents

Amended Business Plan
Proposed Fee for Service
Application Fee

Requirements to offer additional activities for Current Licensees of:

- ✓ Digital Assets and Registered Exchanges Bill;

Complete Form 1

Form 1, Part B,

Application by Registered Digital Asset Business, Registered Firm, or Financial and Corporate Services Provider to Carry on Digital Asset Business Services

Application Timeline to the Commission

Section 9(2)

Notify the Commission no later than fourteen days prior to commencing service.

Documents

Business Plan
Rules of Exchange
Proposed Fee for Service
Application Fee



- Registration is subject to renewal annually by the 31st day of January of each year

Failure to renew registration by the annual renewal date:

- ✓ Outstanding annual fee + an automatic penalty of 10%
- ✓ Revocation of license – 30 days or more after 31st January each year
- ✓ Restoration:
 - Application for Restoration;
 - Fulfill requirements for renewal of application;
 - Payment of an administrative penalty fee of 20%.



Are you currently operating a Digital Asset Business as per the provisions of section 6 of the DARE Bill?

If so:-

- ✓ Upon commencement of the Act you will be deemed to be engaged in such activity under the provisions of this Act, and
- ✓ ***Shall*** apply to the Commission for registration within ninety days of commencement of this Act.



Compliance Checklist



Annual Information Update Form;

Compliance Declaration Form annually and quarterly;

Professional Indemnity Insurance;

Risk Assessment Framework;

Annual and Quarterly Interim Financial Statements with Form 13;

Maintaining adequate Regulatory Capital;

Payment of Prescribed Annual Fee;

Seeking approval for any Material Changes within the Firm's operation.



The background is a deep blue gradient with a subtle light flare on the right. It is populated with several 3D wireframe cubes. Most cubes are outlined with bright blue glowing lines. One cube, positioned centrally, is outlined with bright orange glowing lines. The cubes are arranged in a way that suggests depth and perspective, with some appearing closer and larger than others. Small, faint yellow and white specks are scattered throughout the background, resembling distant stars or digital particles.

Thank you!

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