



SECURITIES COMMISSION OF THE BAHAMAS

PUBLIC NOTICE

No. 12 of 2020

5 November 2020

RE: “NO ACTION” ON SPECIFIC REGISTRATION REQUIREMENT AND EXTENSION OF STATUTORY TRANSITION PERIOD FOR SECURITIES INDUSTRY (CONTRACTS FOR DIFFERENCES) RULES, 2020

This NOTICE is issued by the Securities Commission of The Bahamas (the Commission) pursuant to its authority under the Securities Industry Act, 2011. In light of the global Coronavirus pandemic, resulting in restrictions on business activity and movement within The Bahamas, the Commission hereby advises its policy, as outlined below, regarding Rule 4 and Rule 35 of the Securities Industry (Contracts for Differences) Rules, 2020 (“the CFD Rules”), with respect to:

- i. the specific registration requirement (Rule 4), and
- ii. the upcoming transition deadline of 25 November 2020 (Rule 35).

Registration to Carry on Securities Business With Respect to Contracts for Differences

The Commission advises that with regard to Rule 4 (specific registration required), the Commission is applying a “no action” policy, effective November 2020 until Friday 26 February 2021. The Commission hereby advises that during this “no action” period, the Commission will not pursue sanctions, disciplinary and/or other enforcement action against persons carrying on securities business in, or otherwise providing or marketing contracts for differences (“CFDs”) in or from The Bahamas who may not be in compliance with the CFD Rules provided such persons ensure the appropriate applications are made on or before 26 February 2021, in order to be brought into compliance. Failure to comply on or before Friday 26 February 2021 may result in enforcement action.

Transition provisions

Pursuant to Rule 35 of the CFD Rules, a firm registered to carry on activities listed in paragraph 1(a) of Part 2 of the First Schedule to the Securities Industry Act, 2011 that carried on securities business with respect to CFDs prior to the effective date of the rules (25 May 2020) is required to apply for registration in accordance with rule 6 within six months from the effective date of the rules.

While the Commission will not seek to amend the Rules to further extend the transition period, the Commission hereby advises that it will not pursue any sanctions, disciplinary and/or other enforcement action against any person(s) unable to comply with rule 35, provided that the required application is made on or before 26 February 2021. Failure to comply on or before Friday 26 February 2021 may result in enforcement action.