SECURITIES COMMISSION OF THE BAHAMAS

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Nassau, The Bahamas

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SECURITIES INDUSTRY (CONTRACTS FOR DIFFERENCES) RULES, 2020
FORM CFD1
(Rule 6)

Application for Registration as a Registered Firm, Including Dealing in Contracts for Differences

General Instructions: Please complete all relevant sections; where the allocated space is insufficient, you may continue on a separate page and attach to the completed form. All supporting information and attached pages should be appropriately numbered and the referenced in the form and the reference index attached. See detailed list of required attachments at the end of this document. This form should be certified by the Chief Executive Officer and Treasurer (see the Attestation).

Completed applications should be submitted to:

Supervision Department
Securities Commission of The Bahamas
Poinciana House North Building,
2nd Floor 31A East Bay Street
P.O. Box N-8347
Nassau, The Bahamas

Or via email to: SUDfilings@scb.gov.bs

Item 1 – Name of Applicant
State full legal name of the Applicant.

Item 2 – Type of Registration Application
State the securities business(es) for which registration is sought—

(a) Dealing as agent or principal, including underwriting ☐
(b) Dealing as agent or principal, including underwriting, restricted to CFDs ☐

(c) Arranging deals in securities ☐
(d) Managing securities on a discretionary basis ☐
(e) Advising on securities ☐

Item 3 – Types of CFDs
Indicate types of Contracts for Differences (CFDs) that the applicant is intending to trade

Contracts for Difference where the underlying are:	Yes	No
Single securities – Equities	☐	☐
Single securities – Debt instruments	☐	☐
Foreign exchange	☐	☐
Stock market indexes	☐	☐
Commodities – gold	☐	☐
Commodities – other (specify)	☐	☐
Digital Assets – (specify)	☐	☐
Other (specify)	☐	☐

Item 4 - Full Business Contact Details of Applicant
State the Applicant's principal business address and provide email address(es) and telephone numbers. If the Applicant operates at more than one address in The Bahamas, provide details for each office.

Item 5 – Full Details on Security holders, Directors and Officers
Provide completed Form 4 under the Second Schedule to the SIR for each security holder[1], director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of listing.

[1] Note that where the Applicant is a publicly traded entity in The Bahamas or elsewhere, Form 4s are only required to be provided for significant security holders of the Applicant.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where incorporated, established and operating.

Item 6 – Full Details on Persons to be Carrying on Securities Business on Behalf of Applicant

Provide completed Form 9 under the Second Schedule to the SIR and CFD Form 4 under these Rules for each person who is to carry on securities business on behalf of the Applicant including the Chief Executive Officer, Compliance Officer, CFD Supervisory Officer and any representative to be registered.

Item 7 – Discipline History

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been –

(a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;
(b) declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud;
(c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
(d) dismissed from any office or employment or barred from entry to any profession or occupation; and
(e) compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims,

Yes ☐ No ☐

if so, please provide full details.

Item 8 – Operational Capabilities

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, risk management systems, banking, clearing and custody arrangements, communication capabilities, as applicable.

Include a detailed description of the trading platform to be used to trade CFDs with clients.

Provide names and addresses of principal bankers, custodians, and other service providers.

Item 9 – Policies and Procedures

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures and infrastructure that address all aspects of the securities businesses to be carried on, including portfolio management, trading platform details, front and back office operations, operational controls, reporting policies, code of conduct, as applicable. In particular, these must include risk management processes that integrate prudent risk limits, continuous risk monitoring and regular management reporting on its CFD exposures.

Attach a complete copy of these policies and procedures.

Item 10 – Financial Statements

The following must be submitted—

Where the Applicant has been established within six months of the date of the application and Applicant has not commenced operations –

(a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and

(b) an audited statement of financial position, showing the minimum financial resources required as at a date not more than 21 days before the date of the application.

For all other Applicants –

(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 audited financial statements; and

(c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant has any significant security holders that are companies, the Applicant must also submit for each such security holder –

(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 audited financial statements; and

(c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

Item 11 – Other Regulatory Approvals

If the Applicant is registered, licensed or authorized by any other regulatory authority in The Bahamas or elsewhere, provide details of that status, including name of authority, type of registration, license or authorization, date of approval, registration number, any conditions or any other matter.

Item 12 – Business Plan

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections and staffing requirements, a description of the products and services offered and the method by which they are to be offered, and the nature of the clientele of the firm. Include details on how the CFD activity(s) would be integrated with its other businesses, if any. Attach a complete copy of the detailed plan.

Item 13 – Contact Person at Applicant

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

Item 14 – Date of the Application

Item 15 – Certification and Signature

Include the signature of the Chief Executive Officer and Treasurer certifying the following statement:

"We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that —

(a) *the Applicant is currently in compliance with all the applicable provisions of the Act and these Rules; and*
(b) *the contents of this form and any attachments provided with this form are true, correct and not misleading."*

Chief Executive Officer's Signature: _____

Treasurer Signature: _____

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Required attachments:

1. Copy of the Applicant's written supervisory, internal controls and risk management policies and procedures, including a description of any risk management or other infrastructure in place.

2. The arrangements made for execution and settlement of securities transactions and for custody of securities on behalf of customers.

3. An organizational chart for the firm together with job descriptions for each position. (Include total number of employees in the company).

4. Evidence that the Applicant is in good standing with the Registrar of Companies.

5. Certified copy of the Applicant's Memorandum and Articles of Association, or equivalent incorporation documents.

6. Copies of required financial statements.

7. Evidence that the company has adequate indemnity insurance on behalf of its directors, officers and employees.

8. Evidence of the Applicant's registration with any other regulatory authority, if applicable.

9. Copy of the Applicant's detailed business plan for the next three years, which shall include financial and operational projections, staffing requirements, a description of the products and services offered including CFDs and the method by which they are to be offered, and the nature of the clientele of the firm.

10. Completed Form 4 of the Second Schedule of the SIR for each security holder, director and officer.

11. Completed Forms 9 of the Second Schedule of the SIR and Form CFD 4 of these Rules for the Chief Executive Officer, Compliance Officer, CFD Supervisory Officer and each representative to be registered to act for the firm.

12. An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rules.