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(A)

SECURITIES INDUSTRY (BUSINESS CAPITAL) RULES, 2021

Arrangement of Rules

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MINISTRY OF FINANCE

S.I. No. 76 of 2021

SECURITIES INDUSTRY ACT, 2011

(NO. 10 OF 2011)

**SECURITIES INDUSTRY (BUSINESS CAPITAL) RULES,
2021**

In exercise of the power conferred on me by sections 92 and 149 of the Securities Industry Act, 2011, I HEREBY make the following rules —

PART I PRELIMINARY

1. Citation.

These Rules may be cited as the Securities Industry (Business Capital) Rules, 2021.

2. Interpretation.

In these Rules –

“**Act**” means the Securities Industry Act, 2011;

“**business capital**” means money raised as a result of a crowdfunding offering by an eligible person;

“**business funding**” refers to an exempt distribution under section 92(i) of the Securities Industry Act to source or obtain business capital;

“**crowdfunding**” means the funding of a project or venture by raising money from members of the public utilising a crowdfunding digital platform;

“**crowdfund digital platform**” means a mechanism for the sale, trade or exchange of crowdfund securities offered by a project initiator;

“**crowdfund offering**” or a “**crowdfund distribution**” refers to the distributions on a crowdfunding digital platform to members of the public for investment in unlisted securities;

“**distribution**” has the meaning ascribed to it in section 4 of the Act, and “**offering**” shall have the same meaning;

“**distribution period**” refers to the period between the date when the

distribution started and when it ends as stipulated in the offering document;

“elective professional client” means a client who elects to be categorized as a professional client pursuant to Rule 15(5) of these Rules;

“eligible person” means a person categorized as a small or medium-sized enterprise under the *First Schedule* which is registered under the Companies Act, *Ch. 308*;

“issuer” has the meaning ascribed to it in section 4 of the Act;

“platform” means a company registered with the Commission as dealing in, arranging deals in, and managing and advising on Securities that advertises and administers crowdfund distributions;

“project initiator” refers to the issuer whose crowdfund project is distributed on a digital platform;

“purchase” has the meaning ascribed to it in section 4 of the Act;

“Regulations” means the Security Industry Regulations, 2012; and

“restricted marketplace” means a marketplace as defined under the Act which is registered by the Commission on the condition that it solely conducts transactions related to the exchange of securities previously distributed in a crowdfund offering.

3. Application of rules.

- (1) These Rules apply to persons –
 - (a) sourcing business capital as an eligible person;
 - (b) operating or participating or intending to operate or participate in equity-based crowdfunding by distributing securities;
 - (c) investing in an eligible person; or
 - (d) registered or intending to be registered as an equity-based crowdfunding platform or restricted marketplace.
- (2) For the purpose of paragraph (1)(b), “equity-based crowdfunding” refers to an investment in or distribution of securities by a new or established business by members of the public.
- (3) These Rules shall not apply to –
 - (a) an international business company or a public issuer;
 - (b) donation-based crowdfunding where members of the public give money in support of a charitable or non-profit project, cause or organization;
 - (c) debt-based crowdfunding or peer-to-peer lending where a person borrows money from willing lenders and repays the sum borrowed at an agreed interest rate; or
 - (d) rewards-based crowdfunding or pre-payment crowdfunding where members of the public give money in return for a reward, service or product and in which there is no distribution of securities.

PART II - REGULATION OF BUSINESS FUNDING

4. Eligible persons.

Only legal persons organised under the Companies Act, *Ch. 308* and operating within The Bahamas shall be eligible to issue securities to source business capital under the provisions of these Rules.

5. No prospectus required.

- (1) An eligible person may issue securities to source business funding without filing a prospectus as required by section 83 of the Act.
- (2) Notwithstanding that a prospectus is not required to be filed with the Commission, the crowdfund offering document required under Part III of these Rules must be filed with the platform by an eligible person.

6. Notice of exempt transaction.

- (1) In addition to the requirement under rule 5(2), an eligible person shall also complete and submit to the platform Form 16 Notice of Exempt Transaction set out in the *Second Schedule* to the Regulations.
- (2) Notwithstanding the filing fee requirement under Table D of the Schedule to the Securities Industry (Fee) Rules, *2020 S.I. No. 190 of 2020*, an eligible person filing a Notice of Exempt Transaction for a crowdfund distribution shall pay a fee of five hundred dollars at the time of such filing.

7. Type of Crowdfund.

- (1) A project initiator shall stipulate in the crowdfund offering document whether the crowdfund distribution is an all or nothing distribution or a keep it all distribution.
- (2) For the purpose of paragraph (1):
 - (a) **“all or nothing distribution”** means a distribution in which the project initiator sets an initial fund raising goal, but retains none of the funds raised during the crowdfund offering unless the initial stated goal is achieved which funds are subsequently returned to the investor(s); and
 - (b) **“keep it all distribution”** means a distribution in which the project initiator sets the fund raising goal, but retains the entire amount of the funds raised regardless of whether the stated fund raising goal was achieved.

8. Bahamian currency only.

Except where specifically permitted by these Rules, any transaction for the purchase of securities issued by an eligible person shall be made in Bahamian currency only.

9. Distribution period.

- (1) Any security issued under these Rules shall be distributed only during the distribution period stipulated in the relevant crowdfund offering document.
- (2) The Commission shall order the cancellation of any distribution for failure to comply with paragraph (1), and Part XV of the Act shall apply for the purpose of enforcement.

10. Investor forms.

- (1) No platform shall sell to or trade in any securities issued under a distribution initiated under these Rules with a non-accredited investor, unless the Risk Awareness Form and the Investor Limit Form set out in the Appendices to Form 1 of the *Second Schedule* are completed by the investor.
- (2) An accredited investor shall not be required to complete the Risk Awareness Form, but shall be required to complete the Individual Accredited Investors Form set out in the Appendices to Form 1 of the *Second Schedule*.

11. Payment of distribution funds.

- (1) In accordance with the payment terms stipulated in the crowdfund offering document and subject to the expiration of the purchaser's withdrawal period, a platform shall not retain or withhold any funds collected from the crowdfund distribution during the distribution period.
- (2) A platform shall pay over all funds collected from the crowdfund distribution to the project initiator or the issuer within three days of the end of any distribution period, but, in no event shall a platform pay over to a project initiator or issuer any funds before the end of the distribution period.
- (3) Any person breaching this provision shall be subject to enforcement action by the Commission.

12. Right of withdrawal.

- (1) A purchaser shall have a right of withdrawal with respect to securities distributed under the provisions of these Rules.

- (2) For the purpose of paragraph (1), a purchaser shall exercise the right of withdrawal by submitting written notice to the platform no later than three business days after the date of the agreement to purchase the security.
- (3) Where a purchaser has exercised the right of withdrawal, the platform shall repay the funds within two days of the purchaser's request.
- (4) A purchaser who fails to exercise the right of withdrawal during the withdrawal notice period shall be prohibited from initiating action before any court in The Bahamas or filing a complaint with the Commission except for circumstances where the purchaser alleges fraud on the part of either the platform or the project initiator.

13. Prohibited activity.

No platform shall, with respect to a distribution initiated under these Rules –

- (a) purchase for itself or own the securities it is promoting for sale or trade;
- (b) offer to or agree with a project initiator or issuer to –
 - (i) lend money to a project initiator or issuer; or
 - (ii) set off the cost of any application, administrative or other fee a project initiator or issuer is required to pay.

PART III - REGULATION OF CROWDFUNDING

14. Project initiators.

For the purpose of these Rules, only eligible persons shall issue securities by a crowdfunding distribution as a project initiator for the purpose of securing business capital.

15. Crowdfunding distributions.

- (1) No person shall participate in a crowdfunding distribution, or place or advertise crowdfund offering on a platform except in compliance with these Rules.
- (2) A project initiator may conduct a crowdfund distribution for any lawful purpose with respect to its own business, but in no event shall a project initiator –
 - (a) conduct a crowdfund distribution with the intention of using the proceeds of such distribution to invest in, acquire or merge with another new or existing business which is not a listed company; or
 - (b) offer or conduct more than one crowdfund distribution for the same project.
- (3) A project initiator in raising business capital shall be entitled to –

- (a) launch up to two distributions in any twelve month period; and
 - (b) stipulate the payment terms with respect to the funds collected during the distribution period.
- (4) Notwithstanding paragraph (2), a project initiator shall not within any twelve month period –
- (a) place a single distribution on more than one registered platform at the same time;
 - (b) directly or indirectly stipulate in the crowdfund offering document that the number of prospective purchasers is restricted, or that the offering is targeting or is restricted to any particular group of prospective purchasers; or
 - (c) raise more than five million dollars.
- (5) A project initiator or promoter shall disclose all previous or current crowdfund distribution in the offering memorandum.
- (6) A non-accredited investor shall not in any 12-month period invest more than ten thousand dollars in a single crowdfunding distribution, or invest more than fifty thousand dollars total with respect to more than one distribution.
- (7) Where after two consecutive years have elapsed, a non-accredited investor to whom paragraph (4) applies may be reclassified as an elective professional client.
- (8) Securities purchased under a crowdfund offering may be sold or traded –
- (a) without restriction in the secondary market where the security is sold or traded; and
 - (b) solely with an intermediary that is registered with the Commission as a restricted marketplace.

16. Crowdfunding offering document.

- (1) A project initiator intending to raise business capital by way of a crowdfund distribution shall submit to the platform the completed crowdfund offering document set out as Form 1 of the Second Schedule as well as any other documents required by either the Commission or the platform, and the platform shall thereafter submit all documents and the fee to the Commission.
- (2) Notwithstanding the period prescribed in regulation 116 of the Regulations, the platform shall submit the crowdfund offering document to the Commission no later than five days prior to first sale of securities.
- (3) The exemption from the requirement to file a prospectus under section 92 of the Act shall not apply where –
- (a) a project initiator previously utilized the crowdfund exemption to

issue securities without complying with the Commission's requirements;

- (b) the crowdfund offering –
 - (i) exceeds the maximum amount allowed for the exemption;
 - (ii) restricts the number of purchasers that may participate in the distribution; or
 - (iii) is relying on another exemption to file a prospectus;
- (c) the project initiator does not utilize a registered platform; or
- (d) the proceeds of the crowdfund offering are being used to invest in, acquire or merge with another business which is a listed company.

17. Registration of platforms.

- (1) No person shall engage in or facilitate the initiation, execution or completion of a crowdfund offering except such person is registered as a platform with the Commission.
- (2) For the purpose of paragraph (1), only firms registered under Part VI of the Act to deal in, arrange deals in, manage and advise on securities shall be registered as a platform.
- (3) Notwithstanding registration as a platform, no registered firm shall facilitate the secondary sale or trade in crowdfund securities unless also registered as a restricted marketplace.
- (4) In addition to meeting and maintaining solvency requirements and any other requirements stipulated by the Act and Regulations, a platform shall –
 - (a) meet the requirements of regulation 38 of the Regulations;
 - (b) ensure that the systems and controls used in its activities are adequate and appropriate for the scale and nature of its business, including systems and controls which protect the data collected from purchasers against cybersecurity and other risk including —
 - (i) the recording, storing, protecting and transmission of information;
 - (ii) the effecting and monitoring of transactions;
 - (iii) the operation of the arrangements made for securing the timely discharge, whether by performance, compromise or otherwise, of the rights and liabilities of the parties to transactions;
 - (iv) the safeguarding and administration of assets belonging to investors; and
 - (v) in the event of disruption, business continuity and planning; and
 - (c) implement and maintain, -

- (i) record-keeping measures for the accurate collection of information and documents related to the purchase of crowdfund securities where applicable; and
 - (ii) data protection measures consistent with the Data Protection (Privacy of Personal Information) Act (*Ch. 324A*) concerning the protection of personal data.
- (5) Regulation 88 of the Regulations shall apply with the necessary modifications to a platform with respect to the segregation of client assets.
- (6) A platform shall designate a compliance officer consistent with the obligation under regulation 40(2) of the Regulations.
- (7) Regulations 37 to 55 of the Regulations shall apply *mutatis mutandis* to platforms, and all platforms shall also, by written report submitted biannually to the Commission by January 30 and July 31 of each year, provide details –
 - (a) listing all distributions during the relevant period;
 - (b) with respect to each distribution, of the –
 - (i) name of the project initiator;
 - (ii) type of security issued;
 - (iii) project initiator’s industry;
 - (iv) target amount of the offering;
 - (v) amount received; and
 - (vi) names, addresses and telephone numbers of purchasers participating in the offering.
 - (c) with respect to all unapproved crowdfund distributions, the reason for the removal, the reason for not approving, and provide the –
 - (i) name and industry of each project initiator and the corresponding name of each director, shareholder and senior officer of the project initiator of the crowdfund offering that was denied access to the platform; and
 - (ii) name and industry of each project initiator and the corresponding name of each director, shareholder and senior officer that was granted access to the portal, where the offering failed to close or was removed from the platform.

18. Management of distributions.

- (1) A platform shall not place or advertise any distribution on its website except by written agreement made with the project initiator.
- (2) Within five days of the close of the distribution period, a platform shall submit to the Commission the requisite Platform Due Diligence Attestation Form set out in the *Third Schedule, Form 2*.

19. Crowdfunding application assessments.

A platform shall only place or advertise a crowdfunding distribution on its website where satisfied that –

- (a) the information in the offering document and any other documents submitted by the project initiator, are clear and accurate;
- (b) background and criminal checks have been performed with respect to each director, senior officer, executive, and promoter of the project initiator;
- (c) the crowdfund offering document stipulates the payment terms to be followed at the end of the distribution period, and does not restrict the category of purchaser who may participate in the distribution;
- (d) the project initiator is –
 - (i) registered under the Companies Act;
 - (ii) not disqualified to advertise a distribution having previously utilized the exemption under the Act and the Regulations and has not complied with the continuing obligations of a project initiator; and
 - (iii) not advertising a distribution which is the subject of another distribution made during the same 12-month period; and
- (e) the distribution does not –
 - (i) seek to raise more than the maximum sum permitted under rule 15(3)(c); or
 - (ii) come within any other category for exemption existing under section 92 of the Act or under regulations 109, 111, 114 or 115 of the Regulations.

20. Platform operations.

- (1) With respect to its operations, a platform shall have a duty to –
 - (a) place a notice on its website–
 - (i) informing users that the platform does not guarantee that a distribution will provide the purchaser with a return on investment;
 - (ii) informing prospective purchasers of the investment limits and the legal requirement for investors to complete the Risk Awareness Form and the Investor Form prior to any sale of securities; and
 - (iii) informing all persons of its complaints procedures; and
 - (iv) identifying the Commission as the regulator of crowdfund distributions and persons engaged in or facilitating crowdfund distributions, and listing the Commission’s address and contact information;

- (b) ensure that the prospective purchasers complete the Investor Limits Form or the Form for Individual Accredited Investors;
 - (c) immediately report a project initiator to the Commission, where it becomes aware of any failure of that project initiator to comply with securities laws;
 - (d) ensure that all advertisements are set out in clear language;
 - (e) disclose on its website, the compensation received from a project initiator with respect to a crowdfund distribution; and
 - (f) clearly stipulate the length of the distribution period.
- (2) With respect to paragraph (1)(e), a platform registered under these Rules shall pay to the Commission, by January 31st of each year, an annual minimum fee of five thousand dollars or a sum representing one half of one percent of total revenue generated by its activities whichever is the greater.
- (3) A platform may underwrite the sale of any securities offered but shall not charge additional fees unless actually underwriting the sale of securities.

21. Restrictions on project initiators.

- (1) No project initiator shall directly or indirectly with respect to the crowdfund offering –
- (a) lend to or arrange financing with a prospective purchaser;
 - (b) agree to act as a lender for another project initiator;
 - (c) solicit loans from prospective purchasers;
 - (d) offer to sell securities to any person outside of the platform;
 - (e) offer any incentives, whether monetary or otherwise, to any person connected with the crowdfund offering; or
 - (f) hire, contract, compensate or offer to compensate any third party at any time to promote or market the crowdfund offering or solicit prospective purchasers.
- (2) A project initiator may advertise on spaces other than the platform announcing the fact that a crowdfund offering exists, which announcement shall do no more than advise members of the public that a crowdfund offering has been registered on a platform.
- (3) A platform shall ensure that where an investor purchases securities in a crowdfund offering, as a result of a project initiator’s advertisement, the number of such investors –
- (a) shall constitute no more than thirty percent of the total number of investors in the crowdfund offering where fully subscribed; and
 - (b) have no priority over persons purchasing via the platform after the thirty percent investor threshold is met.

- (4) For the purpose of paragraph (1)(d), a person shall be deemed to be connected with a crowdfund offering if such person is a promoter, underwriter, or involved in the platform's marketing or public relations efforts related to the crowdfund offering.

22. Restrictions on platforms.

- (1) No platform shall –
 - (a) engage in or offer investment advice or make recommendations concerning a project initiator to prospective purchasers;
 - (b) curate or solicit prospective purchasers with regard to any specific type of offering; or
 - (c) advertise any crowdfund offerings related to a company or group of companies which is controlled by the same beneficial owners which control the platform.
- (2) For the purpose of paragraph (1)(b), a platform curates an offering where it creates a collection of distributions based on the type of business funding selected or based on the type of project being promoted, and directs prospective purchasers to these collections based on the investment goals of those purchasers.

23. Crowdfunding distribution period.

- (1) The securities offered by a project initiator shall only be available for purchase for a period of ninety days after the date on which the offering first appears on the platform.
- (2) No later than five days prior to the first sale of securities, a platform shall submit the crowdfund offering document to the Commission along with the following –
 - (a) completed Form 16 Notice of Exempt Transaction as set out in the *Second Schedule* to the Regulations;
 - (b) as completed by each purchaser –
 - (i) the Risk Awareness Form; and
 - (ii) the Investor Limits Form; and
 - (c) the fee stipulated in Rule 25(1).

24. Return of purchaser's funds.

In addition to the obligation under rule 12 to return a purchaser's funds, a platform shall also return all funds to a purchaser in the event that a distribution is removed from the platform, or where the distribution is cancelled by the project initiator or the Commission; and, such return shall be done without any specific request of the purchaser within two days of the occurrence of either event.

25. Regulatory fees.

- (1) A platform shall submit the fee required to be paid by a project initiator under Rule 6 at the same time that the platform submits the crowdfund offering document to the Commission.
- (2) Following the close of a distribution period, a platform shall deduct and retain one half of one percent of the total funds collected during the distribution period, which sums shall be paid over to the Commission by the platform within ten days of the close of the distribution period.
- (3) Where a distribution has been cancelled by the platform, the project initiator, or the Commission before the end of the distribution period, the project initiator shall pay to the platform a flat fee of five hundred dollars.
- (4) The fee required to be paid under paragraph (3) shall be paid to the Commission by the platform at the same time it submits the bi-annual report required under rule 27.

26. Financial statements.

- (1) Within twelve months of the close of the distribution period, a project initiator having raised business capital of two hundred and fifty thousand dollars but not more than three million dollars as a result of a crowdfund distribution, shall submit to the Commission its reviewed financial statements, signed by a licensed accountant.
- (2) Where a project initiator has raised less than two hundred and fifty thousand dollars in business capital, such project initiator shall submit its compiled Financial statements to the Commission within six months of the close of the distribution.
- (3) Within twelve months of the close of the distribution period, a project initiator having raised business capital between three and five million dollars shall submit to the Commission its audited financial statements signed by a licensed accountant.
- (4) A project initiator shall, after the initial submission of reviewed, compiled or audited financial statements, submit to the Commission the applicable financial statements on an annual basis within one hundred and twenty days following the end of the financial year.

PART IV - GENERAL PROVISIONS

27. Semi-annual Progress Reports.

Six months following the close of a distribution, and every six months thereafter, each issuer shall file a report with the Commission and the platform providing detailed information addressing –

- (a) how the proceeds of the crowdfund distribution were used by the issuer;
- (b) any regulatory action against the issuer;
- (c) the current status of the business and progress toward the intended goals;
- (d) any additional funding acquired during the year;
- (e) payments made to investors during the period; and
- (f) any other information the Commission may require.

28. Failure to comply.

- (1) Notwithstanding any other penalty or sanction which may be imposed by the Commission under these rules, the Commission shall be entitled under the provisions of the Act to investigate any breaches or failure to comply by any person with any provision of these rules.
- (2) Where an offence under these Rules has been committed and it is proved that the offence occurred with the consent or connivance or any neglect of an officer, director, manager, or person purporting to act in any such capacity of that body corporate, the officer, director, manager or person as the case may be, as well as the body corporate shall be guilty of the offence.
- (3) Paragraph (1) shall not apply to the affairs of a body corporate that are managed by its members.

29. Transition.

Notwithstanding the provisions of any other law, a person shall be deemed to be carrying on business under the provisions of these Rules where such person provided services as a platform within The Bahamas, immediately before the entry into force of these Rules.

FIRST SCHEDULE

(rule 2)

Company Categorization

A company shall be categorized as a small-sized enterprise or a medium-sized enterprise based on the following factors:

Category	Annual gross income (B\$)
Small-sized enterprise	Up to 1.5 million
Medium-sized enterprise	More than 1.5 up to 3 million

SECOND SCHEDULE

(rule16)

FORM 1

CROWDFUNDING OFFERING DOCUMENT

1. Basic Disclosure about the Offering

State the following, immediately below the disclosure required under sections 1 and 2, with the bracketed information completed as applicable –

Crowdfund Offering Document

Exempt Distribution of Securities

Current Date:

Name of Issuer:

Name of Platform:

Number and type of securities qualified for distribution under the prospectus and the price per security:

Company registration number:

2. Name and Address of Issuer

State the full corporate name of the issuer or, if the issuer is a partnership, the full name under which the entity exists and carries on business. Include the issuer's address and telephone number of the issuer's registered office, head or management office, its e-mail address, its website address, its jurisdiction of incorporation or organization and the statute under which it was incorporated or organised.

3. Details of the Offering and Use of the Proceeds

In this section, in full details, state the nature of the offering and the intended use of the proceeds (i.e. What is the business going to do with all funds that are raised.) Also, include the estimated gross and net proceeds to be received by the issuer or selling security holder.

Describe in reasonable detail each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer, including for –

- (i) the acquisition of specified property or other specified assets;
- (ii) specified capital expenditures;
- (iii) repayment of debt;
- (iv) general working capital;
- (v) expenses relating to the distribution;
- (vi) commissions and brokerage fees; and
- (vii) the time frame for full utilisation of the proceeds from the distribution.

4. A. Information Summary

Include the following summary information about the issuer and securities to be distributed:

- (a) The history of the issuer;
- (b) Ownership structure of the issuer;
- (c) Issued and paid up capital (BSD amounts);
- (d) Date of incorporation; and
- (e) Jurisdiction of incorporation.

B. Information of all Directors and Officers

In this section, list the names of all officers along with their ownership level and Know Your Customer information.

5. Investor Warning

Include a warning statement to the effect that the information which follows is only a summary of the information contained in the crowd fund offering document, that the transfer of securities is restricted for a certain period and that prospective purchasers are advised to read the entire crowd fund offering document prior to deciding whether to invest in the securities being distributed.

6. A. Detailed Description of the Offering

In this section, give detailed information on the crowdfund offering (inclusive of the beginning and end dates of the offering).

Beginning date:

End Date:

Type of Security being offered:

Interest Rate:

Other information:

B. Terms of the offering

In this section, list all terms of the offering:

- (a) Deadline(s) for issuer to collect funds (4 days after 'End Date')

- (b) Date for allotment of Securities:

- (c) Number of shares to be distributed – State how many shares will be distributed in the offering.

- (d) Types of shares to be distributed (e.g. ordinary, preference, convertible, etc.)

- (e) Percentage of shares to be distributed:

- (f) Class of securities offered:

- (g) Other terms – State any other information that would enable the investor to make a reasonable decision regarding this offering.

7. Pricing of Securities

Provide the full details concerning the basis or the methodology of pricing of securities.

8. Crowdfund Agreement

Confirmation of Issuer’s fund raising goal, i.e. state whether the collected funds will fall under, i.e. “Keep It All” or “All or Nothing”.

Keep it All

All or None

Other:

Minimum subscription amount needed to be raised in order to satisfy the purposes of the distribution:

9. Principal Purposes

Describe the activities for which the funds are to be used.

10. Expenses

State the expenses incurred by the issuer in connection with the distribution on an aggregate basis, including the aggregate remuneration paid for services of experts and expenses of the platform.

11. Disclosure of Issuances

Is the issuer concurrently issuing any other offerings? Yes No

If yes, state details below:

Has the issuer previously issued any other offerings? Yes No

If yes, state details below:

12. Changes in the Terms of the Agreement

Describe provisions as to modification, amendment or variation of any rights or other terms attached to the securities being offered. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly:

13. List all shareholders (and the applicable percentage of shares) who currently own 10% or more of any class of security of the issuer.

14. State and show the relationship between the issuer and any of its affiliates.

15. Future Plans, Strategies and Prospects

Brief summary of development plans and growth strategies of issuer, if any, including any projections the issuer has developed:

16. Risk Factors

Describe the factors material to the issuer that a reasonable investor would

consider. Include the following:

- a. Risks relevant to the nature and activities of the issuer's business;
- b. Risks associated with the issuer's financial position;
- c. Business factors that may adversely affect the issuer's operations;
and
- d. Any other risk known to issuer.

17. Right of Withdrawal

All investors of this crowdfund offering have the right to withdraw their interest within 72 hours after the date of the purchase of the security.

18. Right of Action

Issuers of crowdfund securities must provide a Right of Action against the issuer for rescission and damages, in the event that the Offering Document or any other materials contain a misrepresentation.

19. Closing the Distribution

The issuer must outline the conditions for closing the distribution (i.e.: if there are minimum or maximum subscription amounts, and specific terms of the Crowdfund Platform)

20. Financial Information the be included with the crowdfund offering document

Compiled or Interim Financial Statements of the issuer for the past year, to include:

- a. Statement of financial position;
- b. Statement of comprehensive income;
- c. Statement of change in equity; and
- d. Statement of cash flow.

21. Financial Forecast

A forecast may be included in a crowdfund offering document only if -

- a. the forecast is identified as such in the crowdfund offering document;
- b. the forecast is for a period of twelve months or less in the future;
- c. a disclaimer immediately follows the forecast stating in substance that the forecast is only a forecast and actual results may differ materially from the forecast; and
- d. the assumptions upon which the forecast is based are disclosed.

22. Restrictions

Describe any restrictions that could prevent the issuer from paying dividends or distributions.

23. Dividend Policy

Disclose the issuer’s dividend or distribution policy and any intended change in dividend or distribution policy.

24. Legal Proceedings

Provide details of any material legal proceedings to which the issuer is a party, or of which any property or assets of the issuer is the subject matter, and any such proceedings known to the issuer to be contemplated, including the name of the court or agency; the date instituted; the principal parties to the proceedings; the nature of the claim; the amount claimed, if any; if the proceedings are being contested; and the present status of the proceedings.

25. Constitutive Documents

If the articles and by-laws of the issuer or other constitutive or

organizational documents of the issuer, provide for the remuneration of directors.

26. Limited Ongoing Disclosure for Benefit of Purchasers

The issuer must comply with ongoing requirements related to the following once the offering has been closed:

- (a) Financial Statements
- (b) Progress Reports.

27. Number of Investors

The issuer attests that there are no restrictions on the number of investors that can subscribe to this distribution.

I Agree

28. Declarations

The issuer attests that the crowd fund offering document is fairly represented and the document does not contain any material misrepresentation. If you agree, check the box “I Agree”. If you disagree, check the box “I Disagree”.

I Agree

I Disagree

Appendix A to Form 1

Risk Awareness Form

This Form is to be completed by all investors of the Crowdfund Offering and indicates that the purchaser is aware that the offering potentially represents a risk of loss of investment and liquidity risk.

A. Risk Awareness

If you understand each risk, mark the 'yes' box with an 'X'. If you do not understand each risk, mark the 'no' box with an 'X'.

Do you understand that:	YES	NO
(i) Liquidity risk is high because a secondary market for this Crowdfund security may not necessarily develop?	<input type="checkbox"/>	<input type="checkbox"/>
(ii) It is possible to lose your entire investment?	<input type="checkbox"/>	<input type="checkbox"/>
(iii) There may not be dividend or interest pay-outs from your investment?	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Issuers are only required to provide limited ongoing information to purchasers of securities?	<input type="checkbox"/>	<input type="checkbox"/>

B. Understanding of Investment

If you understand each question, mark the 'yes' box with an 'X'. If you do not understand each question, mark the 'no' box with an 'X'.

Did you:	YES	NO
(i) Read this entire Form and understand all risks involved with this investment?	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Read the Offering Document entirely? <i>It is crucial to read the Offering Document thoroughly before making any investment decisions.</i>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Understand the Offering Document that was provided to you?	<input type="checkbox"/>	<input type="checkbox"/>

If you do not understand the contents of the Offering Document, you should consider whether or not to invest until you can understand it.

C. Other Information

If you understand each question, mark the ‘yes’ box with an ‘X’. If you do not understand each question, mark the ‘no’ box with an ‘X’.

- | Do you understand that you have: | YES | NO |
|--|--------------------------|--------------------------|
| (i) The Right to Withdraw
<i>You may withdraw your investment only within 72 hours after the date of purchase the crowdfunding security.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) The Right of Action
<i>Offering documents must provide a Right of Action against the issuer for rescission and damages, in the event the Offering Document or any other materials contain a misrepresentation.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

D. Name and Signature

By signing the ‘Risk Awareness Form’, you confirm that you have read and understood its contents. Electronic signatures are permissible.

First and Last Name (please print): _____

Signature: _____ Date: _____

****TO BE COMPLETED BY ISSUER****

Type of Securities: _____

Issuer’s Name: _____

Email address: _____ Telephone: _____

Contact Person (issuer): _____

Issuer’s Website: _____

Purchased from (Platform’s name): _____

Platform’s Website: _____

Contact Person: (Platform): _____

For more information, contact:

**Appendix B to Form 1
Investor Limits Form**

The Form is to be completed by all non-accredited investors, outlining the amount of funds that have been invested in crowdfund offerings for the year. The investment amounts should not exceed the established levels. *Note: The Crowdfund Platform must supply all non-accredited supporters with a copy of the Form detailing the amount of money the supporter has invested in crowdfund distributions for the year.*

A. Understanding of Investor Limits

If you understand each question, mark the ‘yes’ box with an ‘X’. If you do not understand each question, mark the ‘no’ box with an ‘X’.

Are you aware that your limits as a non-accredited investor are as follows:

YES NO

- | | | | |
|------|--|--------------------------|--------------------------|
| (i) | You are allowed to purchase up to \$50,000 BSD in one calendar year. | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) | You are allowed to invest up to \$10,000 BSD per crowdfund offering. | <input type="checkbox"/> | <input type="checkbox"/> |

B. Confirmation of Investor Limits

I confirm that, after my crowdfunding investment of \$_____:

- I would have not invested more than \$10,000 BSD in this single crowdfunding distribution, and
- I would have not invested more than \$50,000 BSD in all crowdfunding distributions for the entire calendar year.

C. Name and Signature

By signing the ‘Investor Limits Form’, you confirm that you have read and understood its contents. Electronic signatures are permissible.

First and Last Name (please print): _____

Signature: _____ Date: _____

****TO BE COMPLETED BY ISSUER****

Type of Securities: _____

Issuer's Name: _____

Email address: _____ Telephone: _____

Contact Person (issuer): _____

Issuer's Website: _____

Purchased from (Platform's name): _____

Platform's Website: _____

Contact Person: (Platform): _____

For more information, contact:

****TO BE COMPLETED BY ISSUER****

Type of Securities: _____

Issuer's Name: _____

Email address: _____ Telephone: _____

Contact Person (issuer): _____

Issuer's Website: _____

Purchased from (Platform's name): _____

Platform's Website: _____

Contact Person: (Platform): _____

For more information, contact:

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THIRD SCHEDULE

(Paragraph 18)

FORM 2

**PLATFORM DUE DILIGENCE ATTESTATION
OF PROJECT INITIATOR**

To be filed with the Securities Commission of The Bahamas within five (5) days of the close of the distribution period.

I hereby attest that we have completed the necessary due diligence and confirm that nothing has come to our attention that would prohibit the offering from proceeding.

I further attest that the required information will be made available to the Securities Commission of The Bahamas in accordance with section 79 of the Securities Industry Act, 2011.

Identified company subject to the background check:

Company Name: _____

Company Address: _____

Name: _____

Signature: _____ Date: _____

Date of Sale of Security: _____

Made this 23rd day of June, 2021

**Signed
ROBERT LOTMORE
Chairman
Securities Commission of The Bahamas**