



## MEDIA RELEASE

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### **Securities Commission of The Bahamas Announces Implementation of New Securities and Capital Markets Legal Framework**

#### **The Securities Industry Act, 2024 updates legal framework for a more robust and agile regulatory environment**

*Nassau, The Bahamas, Tuesday 30 July 2024* – The Securities Industry Act, 2024 (SIA) is now law in The Bahamas, updating the securities and capital markets regulatory framework to be more robust and agile, uphold international compliance and facilitate greater market development.

The new legislation gained assent on Friday 26 July 2024, with the Appointed Day Notice for the legislation bringing it into effect Monday 29 July 2024.

Among the provisions enhancing the robustness of the regulatory framework, the Securities Commission of The Bahamas (the Commission) said the SIA clarifies and enhances its enforcement and supervisory authority. For example, the SIA provides clear authority for the Commission to issue directives separate from its examination and investigation authority.

The SIA also authorizes the Commission to impose sanctions in the case of statutory breaches without a prior hearing. This will allow the regulator to carry out automated administrative actions including levying automatic fines, ordering registrants to take specific actions or to cease and desist from specific activities and attaching conditions to a license or registration, to address non-compliance with legal requirements.

The new legislation also establishes “tipping off” as an offence, which is expected to support the integrity and effectiveness of the Commission’s investigations. Further, the Commission now has express authority to file a criminal complaint under the new legislation.

The Commission said these and other measures in the new legislation align with its commitment to world-class regulation and compliance with international standards and best practices, including the IOSCO Principles of Securities Regulation and the FATF Recommendations.

Also supporting international compliance and cooperation, the SIA clarifies the Commission’s powers to access records and require information of regulated persons, and ensures that the Commission has jurisdiction over a registrant after having surrendered its registration.

In terms of market development, the SIA includes a modern regulatory framework for derivatives, potentially enhancing the attractiveness of The Bahamas as a jurisdiction for derivatives business. The elements of the derivatives framework, however, have been deferred and will not come into effect until rules are developed.

Under the SIA, the Commission is authorized to declare a digital asset, or class of digital asset as a security, bringing the tokenization of securities under the regulatory framework of the SIA.

The Commission also regulates digital assets and digital asset exchanges in The Bahamas. The groundbreaking Digital Assets and Registered Exchanges Act, 2024, which features enhanced investor protection measures, and provisions to introduce a regulatory framework for stablecoins and staking as a business, passed through the assent process in tandem with the SIA.

Christina Rolle, Executive Director of the Commission, said:

“We are pleased to reach the end of this journey to modernize the 12-year-old legal framework for securities, with new legislation that incorporates feedback from industry consultation, benchmarking, our own observations from regulating the space over the past decade, and a thorough review of prevailing international standards and principles, including those endorsed by IOSCO, the FATF, the OECD and the IMF.

“The Securities Industry Act, 2024 creates a more agile and empowered Commission paving the way for more effective regulation, clarifies many aspects of the legal framework, which benefits market participants and investors, and modernizes elements of the regulatory framework, improving ease of business and supporting enhanced market development.

“The new legislation supports The Bahamas’ status as a best-in-class jurisdiction for securities and capital markets regulation, in line with our commitment to regulatory excellence and leadership.”

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**Editor’s Information:**

1. The Securities Industry Act, 2024 can be found on the Commission’s website ([www.scb.gov.bs/legislative-framework/acts-and-regulations/](http://www.scb.gov.bs/legislative-framework/acts-and-regulations/)).
2. More information about the Digital Assets and Registered Exchanges Act, 2024 can be found at: [www.scb.gov.bs/dare-act-2024-information/](http://www.scb.gov.bs/dare-act-2024-information/).
3. In addition to the SIA and DARE Act, the Commission administers the Investment Funds Act, 2019, the Financial and Corporate Service Providers Act, 2020 and the Carbon Credit Trading Act, 2022.