



ANNUAL REPORT 2024

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Our Mission

To protect investors and consumers and drive sustainable growth in the financial services industry by promoting transparency, addressing risks, advancing education, and fostering our community and economic development.

Our Vision

A trusted regulator known for excellence and innovation in financial services regulation, fostering market confidence, economic growth, and stakeholder protection through adaptability and continuous learning.

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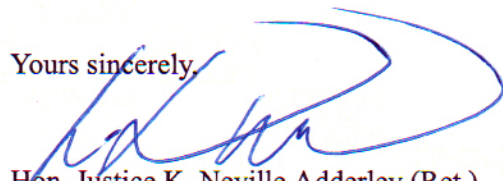
30 June 2025

The Hon. Philip Davis, K.C.
Prime Minister and Minister of Finance
Ministry of Finance
Cecil Wallace-Whitfield Centre
West Bay Street
Nassau, N.P., The Bahamas

Dear Prime Minister:

In accordance with Section 33 (1) of the Securities Industry Act, 2024, I have the honour of submitting to you, on behalf of the Members of the Securities Commission of The Bahamas (the Commission), the Annual Report for the Commission for the year ended 31 December 2024. Included in this Report is the Annual Statement of Accounts of the Commission for the year.

Yours sincerely,



Hon. Justice K. Neville Adderley (Ret.)
Chairman

Chairman's Message



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...the Commission has set a stronger platform to execute its mandate which includes the promotion of economic development in the Commonwealth of The Bahamas.

HON JUSTICE K NEVILLE ADDERLEY (Ret)
CHAIRMAN

During 2024, the Commission advanced legislation critical to our regulatory remit. The Commission also revised and modernized our mission and vision statements as a part of the 2025-2027 strategic planning process. The updated mission statement includes how we intend to drive growth in the economy and in the community.

Our previous mission statement was: “To protect investors and consumers and promote sound regulatory practices in the financial services industry that facilitate sustainable growth and contribute to economic development.” The updated mission statement better captures our direction, guided by what we believe is required for the future: “To protect investors and consumers and drive sustainable growth in the financial services industry by promoting transparency, addressing risks,

advancing education, and fostering our community and economic development.”

The commitment to transparency, addressing risk, advancing education, and fostering community development have long been underlying features of our mission. By enunciating them more specifically, we offer a greater focus on these priorities. This articulation will help our staff, stakeholders, registrants and licensees, potential investors, the public, and international partners, to better understand and appreciate what drives us.

The values of an organization are its lifeblood, engendering vitality, focus and direction. In addition to revising the mission and vision statements, we re-examined and amended our values:

Integrity: We adhere to high ethical standards in our work and expect honest and ethical conduct from our employees and market participants.

Fairness: We maintain objectivity in executing our supervisory function and external interactions and require the same fairness from market participants.

Excellence: We are committed to global best standards and practices and adhere to the highest standard of professional excellence.

Accountability: We work to ensure that our decisions align with our mandate and that we can account for the decisions we make.

Agility: We prioritize adapting to regulatory changes and market dynamics for effective oversight and protection in the financial services sector.

In 2024, the Commission continued to play a vital role in the economic and national development of The Bahamas. This bolstered the jurisdiction's position as a modern and world-class regulatory regime that is vigorous, open to innovation and pragmatic, with clear, strong investor protections and enforcement mechanisms.

Correspondingly, the Commission advanced major legislation during the year. After extensive development by the Commission and consultation with industry and other stakeholders, Parliament approved the Securities Industry Act 2024 and the Digital Assets and Registered Exchanges Act 2024 (DARE). These acts came into force in July of 2024. The revised Securities Industries Act demonstrated the commitment of The Bahamas to leadership in international cooperation and compliance with global standards and best practices. It also modernized the securities framework which was more than a decade old. As I noted in a consultation briefing last year, The Bahamas continues to be on the leading

edge of regulatory innovation, regionally and internationally. We are in various ways a pacesetter. As the nature of digital assets evolved, the Commission realized that changes would have to be made to its regulatory powers. After the crypto winter of 2022, the Commission understood the increased urgency of overhauling the DARE Act, as various risks in the digital assets industry emerged. DARE 2024 includes groundbreaking provisions for staking and a framework for stablecoins. Additionally, both the DARE and SIA frameworks outline the foundation for tokenization of real-world assets, as we have observed a keen interest.

These two pieces of legislation ensure that The Bahamas remains competitive as a financial services jurisdiction.

With our new vision and mission statements, rearticulation of our values, and the modernization of core and foundational legislation, the Commission has set a stronger platform to execute its mandate which includes the promotion of economic development in the Commonwealth of The Bahamas.

I thank my fellow board members and the staff of the Commission for their stellar work during 2024. I take this opportunity to thank Mr. Michael Paton, a former Deputy Chairman, for his many years of excellent service and tremendous contributions to the Commission.

This past year was one of renewal and transition ahead of the Commission's celebration of its 30th anniversary. As we move into 2025, the Commission is rightly proud of its work as a key regulatory agency in the Commonwealth of The Bahamas.

Structure and Membership of the Commission

The Securities Commission of The Bahamas (the Commission) is a statutory body, established in 1995, pursuant to the Securities Board Act 1995. Since its introduction, the legislation has been updated and modernized to keep pace with international and industry standards. The Commission is continued as a statutory body pursuant to the Securities Industry Act 2024 (SIA 2024).

The Commission’s membership comprises a Chairman, Deputy Chairman, Executive Director of the Commission (ex officio), and up to five members appointed by the Minister of Finance. The Minister appoints board members based on their experience or demonstrated capacity in matters relating to industry and the disciplines of commerce, law, finance, or administration.

The SIA 2024 provides for the Chairman to hold office for a period of five years and the Deputy Chairman and other members to hold office for a period not to exceed four years. The Act also allows for all members, including the Chairman, to be eligible for reappointment. The Commission’s Executive Director may hold office for a period of five years and is eligible for reappointment for two terms on the recommendation of the Commission.

Table 1: Board of the Commission as at 31 December 2024

Name	Position	Appointment
Hon Justice K Neville Adderley (Ret)	Chairman	1 July 2022
Peter T Carey	Deputy Chairman	1 July 2022
Christina Rolle	Ex officio Member	26 January 2015
Luther McDonald, KC	Member	1 July 2022
Phaedra Mackey	Member	1 July 2022
Jerome Gomez	Member	1 July 2022
Michael Paton	Member	1 July 2022 – June 2024
Bede Sands	Member	1 July 2022

Role of the Board

The Board is responsible for governance of the organization. The duties of the Board include overseeing the strategic focus, policymaking with regard to the Commission, and establishing rules and guidelines applicable to all areas of industry for which the Commission has regulatory responsibility: investment funds, securities and the capital markets, financial and corporate services, digital assets and trading in carbon credits. The Board has the authority to establish committees to assist in the execution of its duties.

During 2024, the Board held **12** regular meetings.

No exceptional matters occurred in relation to the Board from a governance or structural perspective during the 2024 period.

Committees of the Board

Audit Committee

The Audit Committee (AC) advises and makes recommendations on matters relating to corporate governance, including internal financial controls, internal and external audits, and compliance with financial reporting requirements. It also assists the Commission in reviewing remuneration and other related policies for employees of the Commission.



Members of the commission (left to right): Luther McDonald, KC; Bede Sands; Jerome Gomez; Phaedra Mackey; Peter T Carey, Deputy Chairman; Christina Rolle, Executive Director; Hon Justice K Neville Adderley (Ret), Chairman

Table 2: Audit Committee members as at 31 December 2024

Phaedra Mackey	Chair
Peter T Carey	Member
Christina Rolle	Member
Bede Sands	Member

The AC held **3** meetings during 2024. Mechelle Martinborough attended in her capacity as Board Secretary, Monique Sands, the Commission’s Head of Finance, attended as a management representative, and Lesley Pearson attended in her capacity as Head of Internal Audit.

Human Resources Committee

The Human Resources Committee (HRC) assists the Commission in establishing and reviewing remuneration, benefits and policies for employees of the Commission including salary scales, pensions, bonuses, leave entitlement and any other benefits or incentives. The HRC also hears and considers formal complaints and grievances raised by staff. Its functions also include the periodic review of staff turnover and other human resources reports.

Table 3: Human Resources Committee members as at 31 December 2024

Jerome Gomez	Chair*
Peter T Carey	Member
Luther McDonald, KC	Member
Christina Rolle	Member

*(i) Michael Paton appointment expired 30 June 2024. (ii) Jerome Gomez appointed as Chair August 2024.

The HRC held **2** meetings during 2024. Mechelle Martinborough attended in her capacity as Board Secretary, Bernadette Gibson, Human Resources Senior Manager (until her retirement in March 2024), and Nikia L Forbes, Human Resources Senior Manager attended as management representatives.

Strategic Plan

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The 2021-2024 strategic plan advanced the Commission's Mission and Vision. An action plan of 50 targeted initiatives was developed as a roadmap for achieving the strategic priorities. At the conclusion of the strategic period, 84 percent of the initiatives were completed or significantly progressed toward completion.

Under the theme: "Strengthening Operations and Embracing Disruption in the Financial Services Industry", four key objectives were identified:

- I. Enhance Operational Capabilities and Performance;
- II. Improve Regulatory Framework and Tools;
- III. Support Data-Driven Decision-Making and Accountability; and
- IV. Safeguard Knowledge Assets.

Strategic Objective I:

Enhance Operational Capabilities and Performance

A major priority of this objective was to optimize performance and enhance controls. The Commission launched Project Butterfly to modernize its supervisory process through automation. Phase One of the project included the introduction of the Compliance and Regulatory Interface (CoRI), an electronic filing portal which streamlined interactions with users. During the period, the Commission updated CoRI to boost its capabilities, improve user experiences, digitize internal processes, and streamline the billing and collection system.

The Commission updated its information technology infrastructure, integrated various internal software applications, processes, and workflows and implemented a new document management system. We also commenced the transition to a cloud-based e-mail solution and cloud computing services. To strengthen cyber security measures, a more comprehensive information security framework was established.

With respect to enhancing operational resilience and effectiveness, the Commission restructured its audit function by establishing an Internal Audit Unit. The risk analytics function was incorporated into the Supervision Department. The Commission also added an International Review and Assessment Unit in the Office of Legal Counsel.

Strategic Objective II:

Improve Regulatory Framework and Tools

The Commission introduced the Digital Assets and Registered Exchanges Act 2024, addressing significant developments and changing risks in the cryptocurrency sector. In addition, a Digital Asset Policy Statement was published explaining the Commission's approach to digital asset regulation. The Securities Industry Act 2011 was revised with the promulgation of the Securities Industry Act 2024, which broadened its regulatory reach to include a framework for commodities and derivatives. Directions for reforming the Investment Funds Act were finalized. The Anti-Money Laundering/Countering Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Rules 2024 were published for licensees and registrants under legislation administered by the Commission.

Another priority involved the improvement of tools for engagement with market participants and stakeholders. A courtesy call program for licensees and registrants was relaunched. The Commission hosted the D3 Bahamas (Decentralized Digitalized, and Disruptive) Web3 and FinTech Conference, under the theme: "Building Trust in a Web3 World". The event highlighted The Bahamas' emerging status as a pivotal center for pragmatic digital regulation. The Commission also increased its extensive engagement with IOSCO through membership on the organization's Finance and Audit Committee beginning in 2023.

The Commission held numerous public engagements featuring panel discussions on significant developments in policy, regulatory frameworks, and public sector-led initiatives. They included presentations on the Commission's strategic plan as well as legislative and operational updates. The Commission conducted a survey of all non-bank money lenders under the Financial and Corporate Service Providers Act 2020. Another survey was conducted to solicit feedback for a White Paper on the jurisdiction's capital markets and its participants.

This objective also focused on investor and consumer interests. Collaborative sessions between the Enforcement Unit and the Investor Education and Communications Unit informed a significant amount of the Commission's investor/consumer educational content. The Commission additionally published a variety of communications on its website and launched media campaigns across different platforms as part of a newly implemented media strategy. Topics included investor and consumer protection, financial resilience, financial literacy, and updates on market regulations. In partnership with the Andrea Archer Institute, the Commission provided quality financial literacy training to enrolled students. We also revitalized our high school investor education and financial literacy in-classroom training program.

Strategic Objective III:

Support Data-Driven Decisions and Accountability

This strategic objective focused on two major priorities, the first being to enhance the level and quality of data collection. The Commission formed a partnership with an external consultant to evaluate proposals for the development and implementation of a data warehouse solution. The Commission conducted interviews with prospective technology suppliers. Additionally, workshops were held across the Commission's departments to examine data requirements, business processes, and current digitization levels.

The second priority was to invest in data monitoring and analysis tools. The Commission implemented a software solution to gain insight into cryptocurrency transactions and movements, and ensured extensive staff training on the tool.

Strategic Objective IV:

Safeguard Knowledge Assets

A priority of this strategic objective was developing a talent management strategy. In support of this, the Commission revised its Human Resources Policy and Procedures Manual. Employee job bands were reassessed, resulting in a new compensation model that is more career-centered and aligned with the Commission's business needs.

Human resources reviewed education and training plans for talent development, career paths clarity, and succession planning. The range of programs completed annually by the Commission involve extensive international training, assignments, and professional collaboration to establish leadership profiles. Among education programs attended by staff were the premier Securities Industry Institute three-year program by The Wharton School and SIFMA; IOSCO/PIFS-Harvard Law School Global Certificate Program; London School of Economics Regulation Strategy; and the University of Cambridge Judge Business School Fintech and Regulatory Innovation Programme. Managers and senior officers also received professional leadership training to develop and strengthen their leadership skills.

Executive Director's Remarks



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...the Commission remains committed to its mission of fostering a dynamic, innovative, and well-regulated financial services sector.

CHRISTINA ROLLE
EXECUTIVE DIRECTOR

In 2024, the Securities Commission of The Bahamas continued its commitment to fostering a robust, innovative, and well-regulated financial services sector. The year was characterized by the successful implementation of transformative legislation, operational progress, and advancing regulatory excellence.

Legislative Milestones

This year we successfully implemented several groundbreaking pieces of legislation, the Securities Industry Act 2024, and the Digital Assets and Registered Exchanges Act (DARE) 2024, which both came into effect on 29 July 2024. These Acts position the jurisdiction at the forefront of modern financial regulation.

The Securities Industry Act 2024 represents a comprehensive overhaul of our securities framework, bringing it in line with international best practices while maintaining the flexibility and innovation that has made The Bahamas an attractive jurisdiction for financial services. This legislation enhances investor protection, streamlines regulatory processes, and provides greater clarity for market participants.

The new Act also introduces a framework for the development of regulation for derivatives and provisions which recognize the need for management of systemic risks, along with empowering the Commission to declare a digital asset or class of digital assets as securities thereby bringing tokenized securities within the purview of the securities legislative framework.

Equally significant was the passage of the Digital Assets and Registered Exchanges Act (DARE) 2024, which represents a transformative advancement in digital assets regulation. Building upon the foundation laid by DARE 2020, this comprehensive legislation solidifies the country's position as a global leader in digital assets regulation and demonstrates our commitment to robust risk management while encouraging responsible innovation.

The expanded scope of DARE 2024 now encompasses a wider range of digital asset activities, including advisory or management services, digital asset derivatives activities, and staking services, with the flexibility for the Commission to add additional activities as the space evolves. Enhanced digital asset exchange requirements mandate stringent systems and controls that significantly strengthen investor and consumer protection. A robust custody framework brings custody of digital assets and custodial wallet services under DARE, and enhance protection of client interests through safekeeping, accessibility and disclosure requirements.

The Act introduces several groundbreaking provisions that set new standards in the industry. The staking service activities mentioned earlier is an example of this with DARE introducing a first-of-its-kind disclosure regime. A comprehensive stablecoin framework has been established and provides clear definitions, registration requirements for existing stablecoins, specifications for acceptable reserve assets, and new requirements for custody, management, segregation, reporting, and redemption. Importantly, the issuance of algorithmic “stablecoins” is addressed in as much as algorithmic tokens cannot classify themselves as stablecoins. The legislation also addresses conflicts of interest and connected third-party relations, categorizes non-fungible tokens as either financial or consumer assets, establishes liquidity and reporting requirements, prohibits privacy token issuance, and introduces restrictions on proof-of-work mining.

We also implemented revised Fees Rules during 2024 across all sectors inclusive of securities firms, financial and corporate service providers, digital asset businesses, and investment funds.

Operational Excellence and Team Development

During the year, significant organizational development took place. Following restructuring of the Supervision Department, I am pleased to welcome Magan Knowles to the executive management team as a Senior Manager. The reorganization of the department facilitated two internal promotions to manager. Another Supervision manager has been reassigned to the Policy and Research Unit in the Office of the Executive Director. These promotions represent not only individual achievements but also the Commission’s continued growth and commitment to excellence.

I take this opportunity to congratulate Christian Adderley, Head of Policy and Research on being awarded a three-year secondment to the OECD’s Capital Markets and

Financial Institutions Programme in Paris, France. This secondment provides valuable international experience for our staff and strengthens the Commission’s ties with global regulatory bodies and our understanding of international best practices.

Strategic Plan Implementation and Forward Planning

As we concluded the 2021-2024 strategic plan, I can report that the Commission made significant progress in optimizing performance, enhancing controls, increasing operational resilience, and strengthening our regulatory framework.

Our digital transformation initiative saw the launch of various technological upgrades, including the automation of critical internal processes, IT system upgrades, implementation of a robust information security framework, and a revamped and relaunch of our Compliance and Regulatory Interface (CoRI) portal. We also established an internal audit function which increased our capacity to understand and mitigate operational risks and improve our regulatory function, marking an important milestone in our governance and operational capabilities.

Recognizing the importance of attracting and retaining skilled staff, the Human Resources Department undertook a comprehensive review of the Commission’s compensation structure to ensure that it is competitive within the local market, and that career progression opportunities are structured and clearly defined.

Building on these achievements, we have developed our strategic plan for 2025-2027, which focuses on four key objectives that will guide our efforts over the next three years. This plan emphasizes innovation, proactiveness, internal and external collaboration, and excellence in regulatory practices.

Industry Engagement and Stakeholder Relations

We hosted industry briefings prior to the finalization of the Securities Industry Act 2024 and DARE 2024. The events were well-attended and demonstrated the high level of engagement with industry stakeholders. The enthusiastic participation and constructive dialogue during the session reinforced the collaborative relationship between the Commission and the financial services industry.

Throughout the year the Commission continued its active engagement with the International Organization

of Securities Commissions (IOSCO) on Committee 3 (Market Intermediaries) and Committee 4 (Enforcement and Exchange of Information), as well as the Inter-American Regional Committee, among other IOSCO groups and task forces. The Commission is also active in other international organizations.

The Commission has encouraged our examinations and supervisory managers to become assessors in the CFATF mutual evaluation process. This truly deepens the Commission's capacity to prepare itself, and our constituents, for these evaluations. By extension, the entire jurisdiction benefits from this level of training and exposure. At the end of 2024, the Commission has four staff members who are trained FATF assessors. Additionally, Lesley Pearson, Head of Internal Audit, was singularly invited from the jurisdiction to participate in CFATF's sub-working group for post-assessment follow-ups.

Enforcement and Regulatory Actions

The Commission remained vigilant in its enforcement responsibilities. We continued oversight of significant matters such as the FTX winding-down process, which included addressing AML breaches, and maintaining our criminal complaint file to assist police investigations. Additional enforcement actions against Auto H&L Ltd for miscalculation of interest charges requiring reimbursement of affected customers, and the liquidation of MDollaz/ArawakX, due to the company's insolvency, demonstrate our commitment to protecting investors and consumers and maintaining market integrity.

Organizational Changes and Tributes

The year brought both celebration and sorrow to the Commission family. In March, we bid farewell and a fulfilling retirement to Bernadette Gibson, our longtime Head of HR, whose dedication and service over many years contributed immeasurably to the development of the organization and staff.

In December we mourned the passing of Vivienne Dean, Manager in the Enforcement Department. Vivienne joined the Commission in September 2019 as Deputy Manager in the Supervision Department and was promoted to Manager in the Enforcement Department in September 2022. Her dedication, expertise, and contributions significantly advanced the work of the Commission. We pay tribute to Vivienne's memory and we are thankful for the times we shared with her, both professionally and personally. She touched the lives of many at the Commission and will be dearly missed.

Looking On and Moving Forward

Also, this year we prioritized a review of the local capital markets to understand and make recommendations for increased liquidity. I look forward to sharing our analysis and findings. As we move forward, the Commission remains committed to its mission of fostering a dynamic, innovative, and well-regulated financial services sector. The advancements to legislative framework made in 2024 provide a solid foundation for continued growth and development. Our enhanced organizational structure, combined with a talented and dedicated staff, positions us well to meet the challenges and opportunities that lie ahead. We will continue to prioritize stakeholder engagement, international cooperation, and the highest standards of regulatory excellence.

Investor and consumer protection remain paramount as we focus on robust disclosure requirements and educational initiatives. The trust placed in us by investors and consumers, industry participants, and the public is a responsibility we do not take lightly, and we remain committed to upholding the integrity and reputation of The Bahamas as a leading international financial centre.

Our 2025-2027 strategic plan reflects our vision to be a trusted and agile regulator dedicated to safeguarding the public interest while promoting sustainable growth in the financial services industry. We will realize this vision through transparency, risk management, education, and community and economic development.

I extend my sincere gratitude to the Board for their guidance and support, to our dedicated staff for their unwavering commitment to excellence, and to our industry partners for their continued collaboration. Together, we will continue to build a stronger, more resilient financial services sector that serves the best interests of all stakeholders.

The Securities Commission of The Bahamas enters 2025 with confidence, prepared to embrace new opportunities while maintaining our steadfast commitment to regulatory excellence and market integrity.

I am pleased to present the Securities Commission of The Bahamas Annual Report for 2024.



Management Team

AS AT 31 DECEMBER 2024



CHRISTINA ROLLE
Executive Director



MECHELLE MARTINBOROUGH
Deputy Executive Director
Senior Legal Counsel
Office of Legal Counsel



MONIQUE SANDS
Finance Director
Head of Finance



CHRISTIAN ADDERLEY
Deputy Executive Director
On secondment as at 7 October 2024



ALYSIA ARCHER-COLEBROOKE
Senior Manager
Administration



JOHN CLARKE
Manager
Information Technology



NIKIA FORBES
Senior Manager
Human Resources



RENALDO HARDING
Manager
Examinations



MAGAN KNOWLES
Senior Manager
Supervision



STEWART MILLER
Manager, Investor Education
and Communications Unit



SHERINN MUNNINGS
Manager, Project Management
and International Relations Unit



LESLEY PEARSON
Senior Manager
Head of Internal Audit



ASHLEY POITIER
Manager
Policy and Research Unit



GAWAINE WARD
Senior Manager
Enforcement



LAMYSHA COX
Legal Counsel
Office of Legal Counsel



CAROLYN FERGUSON
Manager, Supervision
IFA and FCSPA Unit



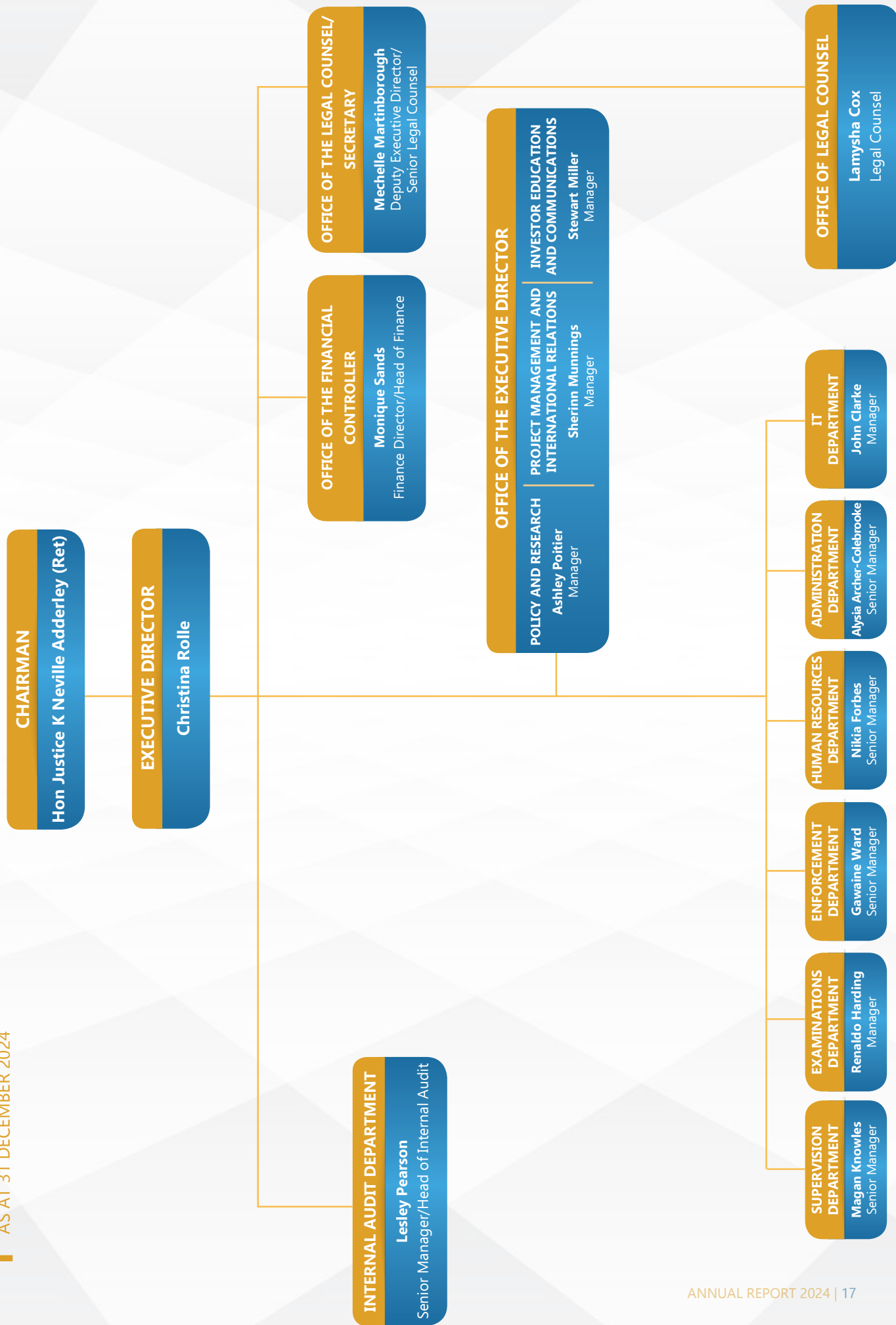
JERRYSE ROLLE
Manager
Internal Audit



DANIEL STRACHAN
Manager, Supervision
SIA and DARE Unit

Organizational Chart

AS AT 31 DECEMBER 2024



Departments of the Commission

Office of the Executive Director

The Office of the Executive Director (OED) consists of three units to achieve its objectives:

- Policy and Research has responsibility for collecting, analysing and reporting statistical data; supporting the development of research and policy papers; providing technical support in the development of legislation and maintaining the fintech innovation hub SCB FITLink.
- Project Management and International Relations is responsible for overseeing management of local and international stakeholder relationships; facilitating strategic planning; monitoring international standards setters, managing special projects and business ethics and compliance in the Commission.
- Investor Education and Communications is responsible for managing the Commission's investor education program and overseeing public relations and communications.

Supervision Department

The Supervision Department (SUD) is responsible for processing applications for the licensing and registration of persons wishing to conduct registrable and licensable activities under the legislation administered by the Commission. It is responsible for the on-site monitoring and supervision of market participants under the administered Acts and the review and registration of prospectuses for public offerings and private placements. Supervision is currently structured as two units:

- SIA and DARE Unit supervising licensees and registrants of the Securities Industry Act 2024 and the Digital Assets and Registered Exchanges Act 2024.
- IFA and FCSPA Unit supervising licensees and registrants of the Investment Funds Act 2019 and Financial and Corporate Service Providers Act 2020.

The department is also tasked with monitoring solvency and operational and conduct risks of the Commission's licensees and registrants, which includes continuous Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF) monitoring.

Examinations Department

The Examinations Department (EXD) is responsible for on-site and off-site examinations of all registrants and licensees. This includes processing and recommending applicants to act as the Commission's agents for the on-site examination of financial and corporate service providers, and reviewing any examinations they conduct on behalf of the Commission.

Enforcement Department

The Enforcement Department (END) is responsible for enforcing the laws administered by the Commission. The department investigates unregistered and unlicensed individuals and operations, coordinates the settlement of regulatory breaches by registered or licensed entities, and addresses criminal and civil court matters involving the Commission, among other things.

Office of the Financial Controller

The Office of the Financial Controller (OFC) is responsible for all aspects of the Commission's financial matters, including preparation and monitoring of annual budgets and the preparation of financial statements.

Office of Legal Counsel

The Office of Legal Counsel (OLC) provides legal advice to the Commission. OLC spearheads the review and development of laws administered by the Commission and financial sector legislation generally, assists in development and review of the Commission's guidelines and policies relating to the laws under the Commission's administrative remit, manages matters of international cooperation, and oversees international reviews and assessments.

Human Resources Department

The Human Resources Department (HRD) is responsible for the daily management of the human resources of the Commission, which includes ensuring adequate human capital to facilitate the Commission's mandate, as well as implementing and enforcing staff regulations.

Administration Department

The Administration Department (ADD) plans and oversees general administrative support and office services including the Commission's document management systems. The department is also responsible for general safety requirements within the premises and maintenance of the Commission's equipment and vehicles.

Information Technology Department

The Information Technology Department (ITD) facilitates the information and electronic communications needs of the Commission.

Internal Audit Department

The Internal Audit Department (IAD) reports to the Board via the Audit Committee and the Executive Director and is responsible for conducting risk-based reviews based on the annual risk assessment and internal audit priorities.



Licensees and Registrants

As at 31 December 2024

165	SIA firms
382	SIA individuals
43	IFA investment fund administrators
212	IFA investment fund managers
545	IFA investment funds
306	Financial and corporate service providers
24	Digital asset business and exchanges

SCB

BY THE NUMBERS



Examinations

As at 31 December 2024

40 routine



IFA AUA

As at 31 December 2024

\$47.45 billion (preliminary) assets under administration
Bahamas-based investment funds



Legislative

Digital Assets and Registered Exchanges Act 2024

Securities Industry Act 2024



Penalties Assessed

\$120,758 SIA firms

\$351,000 IFA funds and administrators



International Cooperation

15	requests received
19	requests closed
19	IOEAMA UNSC resolutions disseminated



Enforcement

3	new matters
11	public notices issued



Operations |

Policy and Research Unit

During 2024, the Commission focused its policy and research efforts on the following areas:

- Researching and recommending updates to The Bahamas' digital asset regulatory framework.
- Researching and drafting of a green paper which, among other things, reviews the current landscape of the capital markets of The Bahamas, and provides recommendations to assist with its growth and development.
- Researching and drafting an addendum to the green paper which outlines the objectives, benefits, and key considerations of adopting legislation requiring all private employers to offer an occupational pension scheme for their employees.
- Researching and recommending the adoption of a sustainability disclosure framework for public issuers and environmental, social, and corporate governance (ESG) funds.
- Preliminary research on tokenization and decentralized autonomous organizations to keep abreast of legal and regulatory developments in these areas.
- Continuing the fintech industry engagement efforts of SCB FITLink, the Commission's fintech hub.

Digital Asset Regulatory Framework

In the Commission's continuing efforts to ensure that the Digital Assets and Registered Exchanges (DARE) legal framework is current, competitive, and compliant with international standards, the Commission participated in several initiatives during the year.

From the inception of the DARE Act, the Commission intended for the legislation to remain current with the ever-changing digital asset landscape. Consequently, the Commission worked with an international law firm to benchmark DARE against best practices in other jurisdictions to update the legal framework. Stemming from the review and the Commission's observations since the enactment of DARE in 2020, amendments were proposed to address legislative gaps, procedural concerns, and emerging risks. The International Organization of Securities Commission's (IOSCO) Policy Recommendations for Crypto and Digital Asset Markets, released in November 2023, was also reviewed to ensure that the amendments would keep DARE current, competitive, and compliant with international standards. Ultimately, the Act was repealed and replaced with the Digital Assets and Registered Exchanges Act 2024 which came into effect 29 July 2024.

Capital Markets Review

The Commission continued its research of the domestic capital markets with the aim of developing a green paper that analyses the capital markets and makes recommendations that should, if implemented, lead to more liquid capital markets in The Bahamas. The focus areas of the analysis covered the domestic capital markets inclusive of public offerings, investor protection measures, investor education, and exchange practices. Additionally, the Commission drafted a capital markets survey, intended for select recipients under the Securities Industry Act 2024. The data obtained from the survey will be used to further bolster the green paper and its recommendations.

Capital Markets Green Paper – Pension Plan Addendum

During 2024, the Commission also continued developing an addendum to the Capital Markets Green Paper. The addendum considers whether the Government of The Bahamas should adopt legislation requiring a mandatory occupational pension scheme for all private sector Bahamian employees and reviews the internationally accepted best principles that should undergird such legislation. If adopted, the mandatory private pension legislation should promote retail and institutional investor participation in The Bahamas' capital markets, making them more robust, and promoting liquidity.

Sustainability Disclosure Framework

Traditionally, investors assess financial asset performance based on the financial position of their portfolios. However, with increased awareness of environmental, societal and governance concerns, investors are progressively considering the potential impacts companies and sustainable investment funds have on the environment. Thus, sustainable finance reporting, the practice of disclosing a company's sustainable efforts within its organization—is becoming an increasingly important topic of discussion in the financial and capital markets.

Finalized in 2024, the Commission's paper on a proposed sustainability disclosure framework aims to provide a comprehensive understanding of sustainable financial reporting and its importance, benefits, risks and concerns. This preliminary research will support a future recommendation for the adoption of a voluntary sustainability disclosure standard for public issuers and ESG funds, based largely on the International Financial Reporting Standards Foundations' S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) standards issued in June 2024.

SCB FITLink – Industry Engagement

The Commission continued its engagement with the public on various fintech related issues, such as digital asset business, crowdfunding, artificial intelligence (AI), and initial token offerings (ITO). In 2024, SCB FITLink received 15 requests for information from fintech stakeholders.

Figure 1: Categories of fintech-related questions submitted to SCB FITLink in 2024

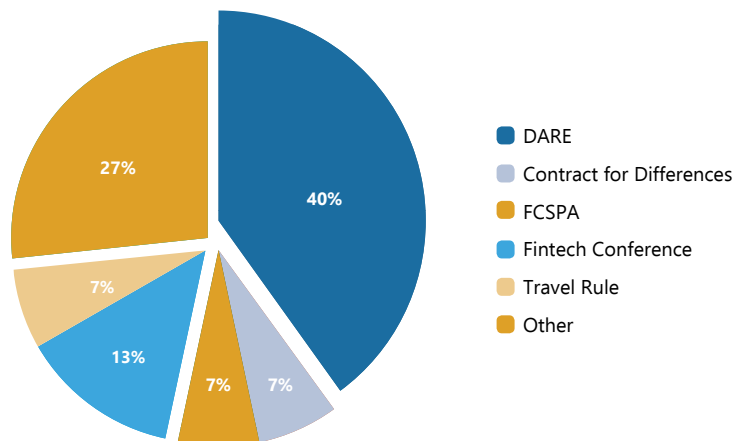
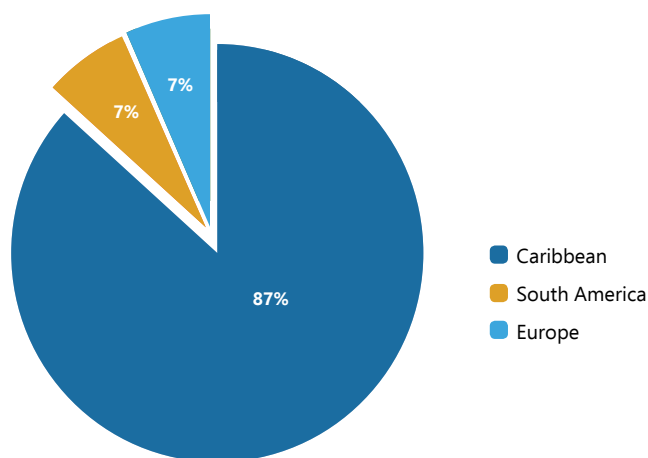


Figure 2: Fintech-related questions, by region, submitted to SCB FITLink in 2024.



Ongoing Policy Development

Digital Asset Policy Statement (Updates)

With the repeal and replacement of the Digital Assets and Registered Exchanges Act, the Commission began the development of an update to its digital asset policy statement (DAPS), "The Bahamas' Approach to Digital Asset Regulation." The updated DAPS is intended to do the following:

- Describe the Commission's philosophy regarding the regulation of DABs;
- Explain the Commission's considerations in developing the digital asset regulatory framework, including examining the risks and threats associated with digital asset activities and the respective measures to mitigate those risks and threats;
- Provide clarity on significant updates to the digital asset regulatory regime;
- Clarify the registration and supervision process for DABs; and
- Outline the Commission's future legal and regulatory considerations for the digital asset sector.

Money Lenders Survey

To address non-bank money lenders services within The Bahamas, the Commission prepared and disseminated a Money Lenders Survey for firms licensed under the Financial and Corporate Service Providers Act 2020 (FCSPA). This survey aimed to gather data to assist the Commission in its regulatory efforts to oversee FCSPA licensees. The results of the survey will be collated with the intent of enhancing consumer protection in the non-bank money lending market.

Decentralized Autonomous Organizations

As local and international interest continues to grow, the Commission has begun drafting four foundational papers on decentralized autonomous organizations (DAOs). In particular, these papers will elucidate the functions, features, benefits, limitations, and the legal landscape and implications of DAOs. While the papers do not aim to provide policy recommendations at this time, they are intended to serve as the Commission's preliminary research of DAOs functions and legal implications.

Tokenization of Real-world Assets

Following expressed interest by licensees and other stakeholders, the Commission has begun drafting three foundational papers on the tokenization of real-world assets. The papers intend to examine the features of asset tokenization, common use cases of asset tokenization, and its benefits, risks, and regulatory concerns. The papers do not intend to develop a policy recommendation on asset tokenization; however, it will serve as the Commission's preliminary research of asset tokenization, which may inform future policy decisions.

Capacity Building Efforts

The Commission is committed to ensuring its employees stay abreast of trends and emerging technologies in the digital asset space. The Commission engaged Chainalysis, a leader in blockchain analysis, cryptocurrency and digital asset tracing, for training of employees. This primarily consisted of Chainalysis' Reactor Certification training, where staff revisited cryptocurrency and digital asset fundamentals and learned to trace transactions through various blockchains.

Sponsorship of University of The Bahamas Fintech and Regulatory Innovation (UBFTRI) program

One of the functions of the Commission is to promote investor education and other conditions that facilitate innovation and development of digital asset businesses within The Bahamas. In support of this, the Commission engaged with the Cambridge Centre for Alternative Finance (CCAF) Cambridge Fintech and Regulatory Innovation (CFTRI) programme at the University of Cambridge Judge Business School to sponsor an exclusive licensing agreement to offer the proprietary course at the University of The Bahamas (UB). The agreement allows the Commission, and UB, access to, and use of the technology and technical content developed for the CFTRI programme.

The University of The Bahamas Fintech and Regulatory Innovation program (UBFTRI) is a professional continuing education course and a three-credit elective that can contribute to students' degree requirements. It is intended to provide the foundational knowledge needed to work with digital asset businesses (DABs) and fintech, and to understand The Bahamas' digital asset regulatory framework. Attendees earn a certificate upon successful completion of the course.

The first cohort of the UBFTRI commenced in February 2024 with 13 participants employed in the local financial services sector. They completed the program in May 2024. The course received excellent reviews by participants who also offered constructive feedback to further enhance the program in future years.

Commission Chairman Hon Justice K Neville Adderley gave welcome remarks at the launch. Commission Executive Director Christina Rolle led Module 1 of the course as a guest lecturer, covering topics related to the evolution of fintech in The Bahamas and the regulatory approach with regard to fintech. Christian Adderley, Head of Policy and Research was the guest lecturer for Module 4, covering topics relating to the approach taken in The Bahamas in relation to developing and implementing its regulatory sandbox, SCB FITLink.

Project Management and International Relations

Affiliations and Memberships

The Commission maintains membership in various international, regional and local organizations to stay abreast of regulatory and standards developments, and rising risks and threats, among other things. Some of these memberships allow the Commission to represent stakeholder concerns and regulatory considerations specific to the jurisdiction at international fora.

International Organization of Securities Commissions (IOSCO)

The International Organization of Securities Commissions (IOSCO) is the global standard setter for securities and capital markets regulation. The Commission has been an ordinary member of IOSCO since September 1996 and became a signatory to Appendix A of its Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU) on 27 December 2012.

The Commission became an early adopter and signatory to Appendix A of the Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMoU) on 21 November 2018. The EMMoU was established “to keep pace with technological, societal and market developments; to bolster deterrence; and to ensure that IOSCO continues to meet its objectives.”

The IOSCO Board is the governing and standard setting body of IOSCO and comprises 35 securities regulators. The Commission is currently a Board member and a member of six IOSCO committees:

Growth and Emerging Markets Committee (GEMC) seeks to promote the development and efficiency of emerging securities and futures markets;

Inter-American Regional Committee (IARC) discusses regional issues to contribute a regional perspective to Board debates and policy work. The Commission’s executive director currently serves as vice-chair of IARC having been re-elected in May 2024 for the term 2024-2026;

Assessment Committee (AC) assesses implementation of IOSCO Principles and Standards across the IOSCO membership;

Committee on Regulation of Market Intermediaries (Committee 3) seeks to promote investor protection and market efficiency through its recommendations on issues relating to market intermediaries;

Committee on Enforcement and the Exchange of Information (Committee 4) aims to help prevent and detect the breaches of securities laws and regulations in global financial markets and seeks to implement global enforcement cooperation under the IOSCO MMoU; and

MMoU Monitoring Group Steering Committee serves to review problematic issues identified through use of the MMoU and make recommendations to the Monitoring Group as to how these should be addressed.

The commission is a member of several IOSCO groups:

MMoU Monitoring Group consists of all MMoU signatories and is tasked with monitoring the operation of the IOSCO MMoU;

MMoU Screening Group is tasked with reviewing MMoU applications to establish if applicants meet the requirements for becoming signatories to the MMoU;

Fintech Task Force is responsible for developing, overseeing, delivering and implementing IOSCO’s regulatory agenda with respect to Fintech and crypto assets;

Fintech Task Force Steering Group is responsible for setting the strategic direction of the Fintech Task Force and actively oversees the direction of IOSCO’s work in relation to crypto; and

IOSCO Diversity Network operates as a forum for the exchange of ideas and experiences to promote diversity and the benefits of diversity among regulatory member organizations.

Global Financial Innovation Network (GFIN)

The Global Financial Network (GFIN), launched in 2019, is an international network of financial services regulators and related organizations committed to supporting financial innovation. GFIN aims to create a framework for cooperation between financial services regulators on innovation topics and sharing of experiences and approaches. It also seeks to provide efficient ways for innovative firms to interact with regulators and navigate between countries. The Commission attained membership in 2020.

Table 4: Membership meetings attended during 2024

Meeting/Conference/Date	Place	Theme/Topic
International Organization of Securities Commissions (IOSCO)		
49th Annual Meeting of IOSCO 26-28 May	Athens, Greece	Discussions on recent work (published reports and projects), global sustainability disclosures, market developments, capacity building initiatives, and sessions on protecting investors in a digital world and “finfluencers” and new SupTech.
Assessment Committee (AC) 13 February 11-12 April 10 July 17-21 November	Virtual Barcelona, Spain Virtual Auckland, NZ	
C4 (Committee on Enforcement and the Exchange of Information) and Screening Group 19-20 March 11-12 June 23-24 October	Dubai Munich, Germany Zurich, Switzerland	
Fintech Task Force 20 September	Madrid, Spain	
Fintech Task Force Steering Group 15 February	Virtual	
Inter-American Regional Committee (IARC)		
21 March (Roundtable)	Mexico City, Mexico	Discussions on key considerations on sustainable finance and challenges and opportunities with the adoption of global standards for sustainable finance in capital markets.
22 March (Plenary Meeting)	Mexico City, Mexico	Updates on IOSCO Board discussions, market developments and regulatory updates from members, fintech, sustainable finance, Risk Outlook 2024 and capacity building priorities.
26 May (Plenary Meeting)	Athens, Greece	Updates on IOSCO work, members’ market developments and regulatory initiatives, and discussions on sustainable finance and 2024 Risk Outlook. Meeting chaired by Vice Chair, Christina Rolle, Executive Director of the Securities Commission of The Bahamas.
Growth and Emerging Markets Committee (GEMC)		
26 May	Athens, Greece	Discussions on sustainability disclosures, voluntary carbon markets, capacity building initiatives, and implementation of IOSCO standards.

Caribbean Group of Securities Regulators (CGSR)

The Caribbean Group of Securities Regulators (CGSR), formed in 2002, aims to facilitate information sharing and collaboration between Caribbean securities regulators to enhance regional securities supervision.

Group of Financial Services Regulators (GFSR)

The Group of Financial Service Regulators (GFSR) comprises domestic financial services regulators, the Central Bank of The Bahamas, the Compliance Commission of The Bahamas, the Financial Intelligence Unit, the Gaming Board for The Bahamas, the Insurance Commission of The Bahamas, and the Securities Commission of The Bahamas. The group serves as a medium for information sharing between its members and international financial services regulators. Members use this forum to discuss unique and shared regulatory challenges.

International Forum for Investor Education (IFIE) Americas Chapter, Caribbean Working Group (CWG)

The International Forum for Investor Education (IFIE), formed in 2005, aims to unite and engage global organizations across sectors to help improve financial capability and investor education. The IFIE Americas Chapter, formed in 2011, works on priority issues and needs of the Americas region, benefitting from the resources, programming and experience of the IFIE global network of partners and other global-regional chapters. The Commission is a founding member of the IFIE Americas Chapter Caribbean Working Group (CWG), whose focus is developing programs on financial capability and investor education within the Caribbean context.

| Investor Education

Objectives and Priorities

Financially literate investors with access to reliable, current investment information are better empowered to grow their wealth and safeguard against investment fraud, scams and other misconduct. This fundamental principle drives the Commission's approach to investor education and the execution of its function to promote understanding of the capital markets and its participants, and the risks and liabilities associated with investing. During the year, the Commission continued to advance its strategic investor education objectives, aiming to foster greater public understanding, financial resilience, and informed participation in the capital markets and non-bank financial services sectors. Key priorities for the period included increasing public awareness of the Commission's regulatory role, positioning the Commission as a trusted and accessible source of financial information, and equipping residents with the knowledge and tools to make sound financial decisions.

Significant efforts were made to enhance the Commission's visibility through targeted campaigns, webinars, educational content, and community outreach.

Launch of 'Watch Ya Money!' Frauds and Scams Campaign

Investment fraud in The Bahamas is increasing, and scammers are more sophisticated than ever. To help combat the ever-present threat, the Commission launched "Watch Ya Money!", a comprehensive multimedia campaign designed to help Bahamians identify and protect themselves from investment fraud and scams. This eight-week initiative underscored the Commission's commitment to protecting and educating investors while reinforcing our role as a trusted regulatory body and resource for public information.

"The Watch Ya Money!" campaign used print media, radio, television, and social media to educate the public, reduce the stigma surrounding victimization, and encourage reporting suspicious activities to the Commission.

The first phase of ads and messaging were distributed through the Commission's social media channels, Google display ads, radio and television appearances. Launched 11 December 2024, the campaign ran to 6 February 2025.

Community Engagement, Financial Literacy Fairs, Outreach etc

Bahamas Development Bank's Investment Education Expo

The Commission participated in the Bahamas Development Bank's Investment Education Expo, an event designed to educate the bank's staff on the fundamentals of investing and to highlight the wide range of investment opportunities available to them. Held on 17 April 2024, the Expo provided a valuable platform for financial institutions and investment experts to share insights and promote financial literacy among attendees. Representatives from the Commission engaged with participants, offering information about the Commission's role as a securities and capital markets regulator as well as information on frauds and scams and prevention tips. The Expo provided an opportunity where the bank's staff were able to ask questions, build knowledge, and become more confident in navigating their personal financial journeys.

Department of Labour and the Public Service Seminar

The Commission participated in a seminar organized by the Department of Labour and the Public Service. The seminar aimed to equip incoming members of the Public Service with essential knowledge on retirement planning and personal financial management. It offered a well-rounded introduction to financial planning and investor protection, empowering new public servants to take proactive steps in securing their financial futures.

The Commission arranged for a financial education firm to deliver a presentation on strategies for managing and reducing debt. The session provided practical tips and actionable strategies to help participants take control of their finances, minimize debt, and establish a strong foundation for long-term financial security. Michelle Allen Ferguson (Deputy Manager, Investor Education and Communications Unit, Securities Commission) also delivered an informative overview of the Commission's role in safeguarding investors, the Commission's regulatory functions and our commitment to promoting investor education and financial literacy.

High School Program Revitalization and PACE Partnership

Building on our commitment to fostering financial literacy among the youth, the Commission expanded its educational initiatives throughout the first half of 2024,

reaching high school students with targeted training designed to build essential financial skills.

Partnership with the Andrea Archer Institute

The Commission's collaboration with the Andrea Archer Institute (formerly PACE) continued, delivering financial literacy training to enrolled students. The Institute serves teen mothers who face unique challenges in completing their education due to pregnancy, providing them with alternative pathways to academic achievement. Through this partnership, the Commission is committed to delivering practical financial education, specifically tailored to help these students develop the confidence and skills needed to make informed financial decisions for themselves and their families. This approach recognizes that early financial literacy can be transformative in breaking cycles of economic disadvantage and creating pathways to financial stability.

Financial Literacy Training at RM Bailey Senior High School

The Commission held financial literacy training sessions at the RM Bailey Senior High School, successfully engaging more than 75 percent of the institution's 11th-grade student body. Commission volunteer trainers used interactive techniques and real-world scenarios to ensure maximum engagement and comprehension.

Students gained an understanding of the Commission's regulatory role and consumer protection mandate and were exposed to core investment readiness topics including budgeting fundamentals, savings strategies, and responsible borrowing practices. Also covered were essential investment principles, including the relationship between risk and return, and the impact of inflation on purchasing power. Finally, students received helpful tips regarding fraud and scams recognition, red flags and prevention strategies to protect their future financial assets.

The overwhelmingly positive response from students, teachers and administrators alike, reinforced the critical importance of delivering targeted financial education to students during their final years of secondary education as these students stand at the threshold of independent financial decision-making, whether entering the workforce or pursuing higher education. By establishing foundational knowledge of investment principles and regulatory protections, and the Commission as a trusted resource for information, these programs contribute to the development of a more informed and resilient investor base.

World Investor Week 2024

The Commission participated in the International Organization of Securities Commissions (IOSCO) 8th Annual World Investor Week, 7-13 October 2024, implementing a suite of educational initiatives that reached thousands of Bahamians across multiple platforms. This week-long, global campaign serves as a cornerstone for raising awareness about the importance of investor education and protection, while showcasing various initiatives of securities regulators in these critical areas. The key themes for 2024 were: Technology and Digital Finance, Crypto Assets, and Sustainable Finance with supporting themes of Fraud and Scams Prevention, Basics of Investing and Investor Resilience.

National Recognition and Government Support

Prime Minister Philip Davis, KC, proclaimed the month of October 2024 as “Investor Education Month” in The Bahamas. This proclamation aimed to raise awareness about investing in the capital markets, highlight the Commission’s role in capital markets regulation, and to emphasize the importance of financial literacy and investor education in empowering the public to make sound investment decisions. The proclamation received widespread coverage across local media outlets and across our digital platforms.

Digital Innovation: Take 5 With The SCB Series

The Commission launched a new series titled Take 5 With The SCB—a collection of brief educational videos designed to “Cut through the complex stuff, so you don’t have to.” Launched during World Investor Week, the inaugural video, “About the Commission” featuring Stewart Miller, Manager of the Investor Education and Communications Unit, aimed to help viewers understand what the Securities Commission is, what we do, how we do it and our role in investor and consumer protection. The Take 5 series continued into Investor Education Month, with the launch of the second and third videos.

Video 2, “About Investor Resilience” featured Monique Sands, Head of Finance, and provided clear, easy to understand tips and strategies for understanding and enhancing financial resilience, including budgeting, creating emergency funds, understanding inflation and managing debt to withstand economic uncertainties.

Video 3, “About Frauds and Scams” featured Gawaine Ward, Senior Manager of the Enforcement Department. This video helped viewers understand and identify fraud and scams, provided tips to safeguard oneself from becoming victims as well as actionable tips for victims of fraud or scams.



Educational Programming and Community Engagement

High School Financial Literacy Initiative

World Investor Week 2024 marked the official launch of our enhanced high school financial literacy program for the 2024-2025 academic year. Commission staff conducted educational sessions with 11th and 12th grade students from CC Sweeting and RM Bailey

Senior High Schools, engaging multiple classes from each institution. The program's success was evidenced by requests from educators for expanded programming, including teacher training sessions and extended student engagement. Notably, CC Sweeting incorporated the sessions into their formal grading structure, demonstrating institutional commitment to financial literacy education.



The Commission's partnership with the Andrea Archer Institute entered its second year, providing quarterly financial literacy training for both students and staff. This specialized program continues to address the unique needs of teen mothers, supporting their journey toward financial independence and stability.

Digital Engagement and Webinar Programming

The Commission hosted two successful webinars, each featuring interactive elements including iPhone 16 giveaways to enhance participation and engagement.

The Frauds and Scams Webinar attracted 224 unique viewers and addressed the evolving tactics used by fraudsters to deceive investors and provided practical guidance for identifying and avoiding investment fraud. The session featured expert panellists from our Enforcement and Supervision departments: Gawaine Ward (Senior Manager, Enforcement Dept), Benson Russell (Asst Manager, Enforcement Dept), Crista Young Petty (Deputy Manager, Supervision Dept) and moderator Stewart Miller (Manager, Investor Education and Communications Unit).

The Future of Money Webinar drew 306 unique viewers and explored emerging trends in digital finance, featuring panellists from the Commission, banking sector, cryptocurrency industry, and Central Bank of The Bahamas. Panellists were, Tammi Butler (Securities Commission), Delphino Cassar (Equity Bank Bahamas Ltd), Dr Jillian Bethel (Crypto Isle), Shaqueno Q Porter (Central Bank of The Bahamas) and Royann Dean (CEO, Onwrd Consulting) as moderator.

Media Outreach

To increase public awareness and engagement in the Commission's world investor week initiatives, staff representatives participated in media interviews across key programs including Bahamas At Sunrise, Wake Up and Go Morning Show, Unfiltered With Mo and Drew, and Z Live Off the Record with Zhivargo Laing. These appearances focused on fraud and scams prevention, raising awareness of World Investor Week and on the Commission's initiatives, ensuring consistent messaging across diverse audience segments.

The Commission also used its social media platforms to promote World Investor Week campaign messaging and posts. These platforms included Facebook, Instagram and LinkedIn.

World Investor Week 2024 demonstrated the Commission's capacity to deliver comprehensive, multi-platform educational initiatives that resonate with diverse stakeholder groups. The combination of digital innovation and

social media, traditional media engagement, and direct educational initiatives created a synergistic effect that amplified our investor protection message. These initiatives support a more informed investor base and enhance public trust in our regulatory framework.

Money Lenders Services Consumer Protection Initiative

The Commission is responsible for the administration of the Financial and Corporate Service Providers Act, which provides the legal framework for the regulation of non-bank money lenders, inter alia. The Commission recognizes the need to increase consumer awareness of the requirement for non-bank money lenders to be registered and of certain service standards which customers should expect to receive from them. In an initial initiative to increase awareness for these consumers, Vivienne Dean, who was Manager,

Enforcement Department at the time, appeared on the Bahamas At Sunrise television show which aired on 30 August 2024.

Communications

The Commission actively promotes awareness of its roles and responsibilities, ensuring that the public, licensees, and registrants are informed about its regulatory functions and legislative priorities.

It also highlights emerging regulatory risks in the industry, so that the audience is equipped to navigate the changing financial landscape effectively. Through direct interactions, the Commission engages with the public to address their questions and understand their priorities and concerns.

Public Engagement

Throughout the year, the Commission participated in various events:

- February 2024** **BFSB Industry Development Series: Financial Crime Enforcement Across Borders**
Executive Director Christina Rolle participated in The Bahamas Regulatory Update roundtable discussing international and domestic regulatory updates, the current environment related to AML, OFAC and sanctions compliance, criminal tax developments, best compliance practices for financial institutions, cross-borderer tax enforcement and fintech and financial crime.
22 February | Margaritaville Beach Resort
- March 2024** **Rotary Club of South East Nassau**
Chairman Hon Justice K Neville Adderley (Ret) addressed the Rotary Club of South East Nassau about the Securities Industry Bill 2024. 20 March | Nassau, Bahamas
- May 2024** **BFSB: Mid-Year Industry Briefing**
Executive Director Christina Rolle appeared as a panellist on the Regulatory Panel at the BFSB's Mid-Year Industry Briefing. The Briefing was an opportunity for industry professionals to gain insights from regulators and government ministers on legislative updates and policy priorities for the year. 15 May | Baha Mar Convention Center
- BFSB: The Future of Fintech Webinar**
Executive Director Christina Rolle participated in the BFSB's Fintech Webinar on topics surrounding regulatory trends within the fintech sector as well as the threats and opportunities of leveraging fintech and the momentum behind the evolution of fintech. 17 May | Virtual
- Central Bank of The Bahamas: Harborside Chats with the Governor, Episode 3**
Executive Director Christina Rolle participated in a discussion with other heads of regulatory institutions on their roles in setting the foundation for a modern and resilient financial sector as a part of the Central Bank of The Bahamas 50th Anniversary series on ZNS Network.
23 May | Central Bank Building
- June 2024** **BFSB WealthBriefing Bahamas Landfall: London**
Executive Director Christina Rolle participated in a panel discussion alongside other regulators and government officials and explored the government's efforts in global climate change and responsibilities, innovative legislative and product developments in The Bahamas and the extensive range of financial services offered. 26 June | Sheraton Grand, London

September 2024	The Digital Assets Summit Hosted by Hogan Lovells Executive Director Christina Rolle participated virtually in a panel discussion for the annual Hogan Lovells Digital Assets Summit that took place in London. It included insightful discussions on the global adoption of digital assets and blockchain across financial services. 11 September Virtual
	Bahamas Business and Investment Forum Washington, DC Executive Director Christina Rolle participated in a panel discussion hosted by The Bahamas Consulate Office in Washington, DC. The sessions focused on exploring trade partnerships in agriculture, professional services, carbon credit initiatives, maritime matters, tourism, and more, while addressing the barriers Bahamian businesses face in expanding trade relations with the US. 12 September Washington, DC
	The Nassau Conference Financial Services Bootcamp Mechelle Martinborough, Senior Legal Counsel presented on The Future of Digital Assets: Amendments to the DARE Act. 17 September Baha Mar Convention Center
	Fourth Session of The Central Bank of The Bahamas' 50th Anniversary Learning Series Executive Director Christina Rolle participated in a panel discussion on Sustainable Growth in a Technologically Based Age. 18 September Central Bank of The Bahamas Art Gallery
October 2024	ACAMS: Enhancing AML Risk Assessments Lesley Pearson, Senior Manager and Head of Internal Audit provided regulatory updates including AML/CFT/CPF compliance trends and supervisory and examinations priorities. 29 October Miami, Florida
November 2024	Bahamas Institute of Chartered Accountants (BICA) Accountants' Week Executive Director Christina Rolle provided legislative updates along with supervisory and examinations priorities of the Commission for the year. 13 November Baha Mar Convention Center
	InvestFest Bahamas Executive Director Christina Rolle delivered opening remarks at the inaugural InvestFest Bahamas hosted by BISX under the theme The Power of Exchange: Connecting Markets, Mind and Money. 14 November Baha Mar Convention Center
December 2024	INSOL International Bahamas Seminar Executive Director Rolle participated in a panel discussion at the INSOL International Bahamas Seminar under the theme Sailing the Legal Seas: Exploring Jurisdictional Changes. The discussion focused on the Commission's approach to the DARE legislative framework and FTX timeline along with the legal authority for enforcement responses and enhancements to the DARE legal framework post-FTX. 10 December Baha Mar Convention Center

Media Appearances

In 2024, the Commission continued to make a concerted effort to bring more awareness of its role to the public. Staff appeared on television and live interactive radio shows focused on campaigns designed to promote investor education, financial protection and awareness of potential fraudulent activities. Additionally, critical topics concerning securities regulation were addressed, all with the aim to empower listeners and viewers with the knowledge necessary to navigate the financial landscape. The Commission appeared on the following television and radio programs during the year:

May 2024 **Z Live: Off The Record with Zhivargo Laing**

Ashley Poitier, Manager, Supervision and Benson Russell, Assistant Manager, Enforcement appeared on the Z Live Regulators Series. This series addressed how regulators play an important role in the way we conduct business in The Bahamas. Ashley and Benson discussed the Commission's role and function in the country. [8 May | Guardian Talk Radio Studio](#)

ZNS News

Executive Director Rolle was interviewed for ZNS news on the implementation of the DARE Act 2024 and Securities Industry Act 2024, speaking specifically to the comprehensive stablecoin framework and wider range of digital asset activities as well as modernizing the legal and regulatory framework for securities and the capital markets. [31 May | Securities Commission of The Bahamas offices](#)

August 2024 **Bahamas At Sunrise**

Vivienne Dean, Manager, Enforcement, appeared on the live show where she spoke about only doing business with money lenders who are licensed to conduct money lending, how to find out if a business was licensed by the Commission for non-bank money lending, and she provided general information that consumers should consider before borrowing. [30 August | The Counsellors Ltd Studios](#)

December 2024 **Bahamas At Sunrise**

Benson Russell, Assistant Manager, Enforcement Department appeared on the live show to bring awareness to investment fraud and scam prevention as a part of the Commission's "Watch Ya Money!" campaign. [13 December | The Counsellors Ltd Studios](#)

During the Commission's celebration of World Investor Week, staff representatives participated in media interviews across key programs including Bahamas At Sunrise, Wake Up and Go Morning Show, Unfiltered With Mo and Drew, and Z Live Off the Record with Zhivargo Laing. These appearances focused on fraud and scams prevention, raising awareness of World Investor Week and the Commission's initiatives, ensuring consistent messaging across diverse audience segments. Information on these appearances can be found in the Investor Education section of this report.

Training

The Commission along with the Compliance Commission held the annual Joint Authorized Agent Training on 23 February. Held virtually, the mandatory training is for eligible persons to be approved as agents in conducting annual routine examinations of financial and corporate service providers and registrants for the Compliance Commission. The list of approved authorized agents can be found on the Commission's website.

Industry Briefing

The Commission hosted the Securities Industry Bill 2024 Consultation Briefing on 15 March at British Colonial Nassau. Chairman, the Hon Justice K Neville Adderley gave welcome remarks. Executive Director Christina Rolle and Mechelle Martinborough, Senior Legal Counsel presented on changes to the Securities Industry Act to licensees, registrants and industry stakeholders.

Human Resources

As at 31 December 2024, the Commission employed a total of **99** employees, consisting of **96** full-time employees and **3** temporary/contract employees. The retention rate for the Commission in 2024 was 90 per cent. The average age of the staff was 43, with a female to male ratio of 3:1. The average length of service was 7.4 years with 8 percent of the team at the senior manager and above level.

During the year, the Commission engaged **17** new hires: **6** in Supervision, **5** in Examinations, **1** in Administration, **2** in the Office of Legal Counsel, **1** in Human Resources, and **2** in the Office of the Executive Director. The Commission expanded the Examinations Department to increase the team's capacity. The leadership within Supervision was restructured to create a more efficient operational framework, which led to the promotion of a manager and two deputy managers.

In December, Vivienne Dean, a manager in the Enforcement Department, passed away. Vivienne was employed by the Commission for five years. Her commitment, strength, and compassion made a lasting impact on her colleagues, and her legacy will be remembered by all who worked with her.

EMPLOYEE HIGHLIGHTS

As at 31 December 2024

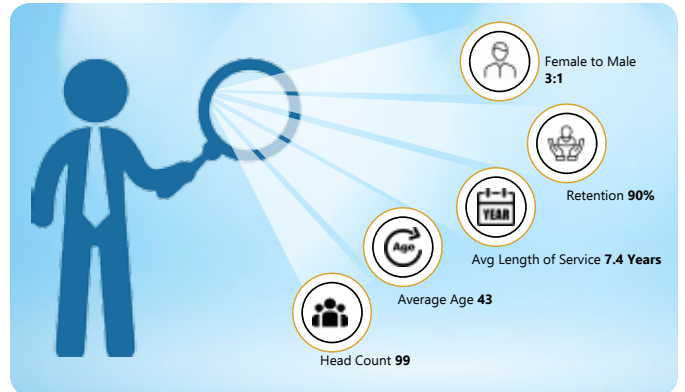


Figure 3: Comparison of number of employees by department as at 31 December 2024 and 2023

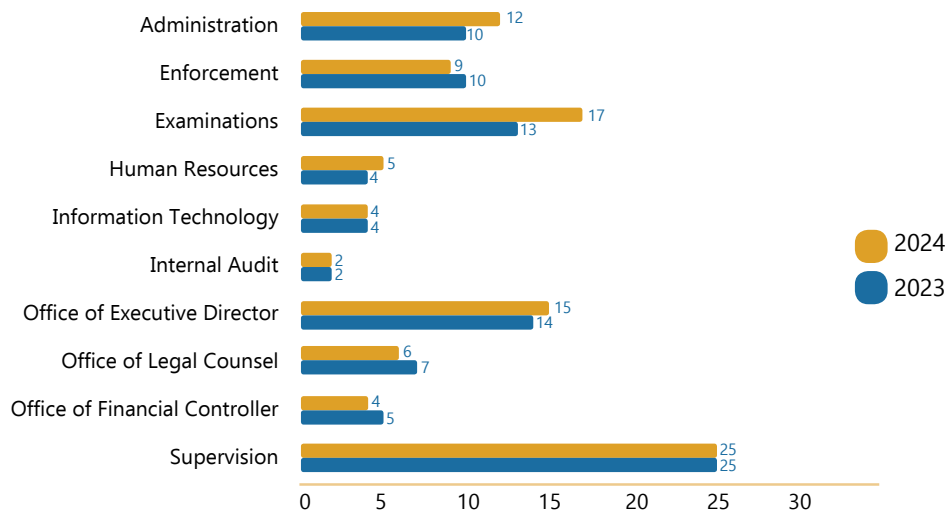
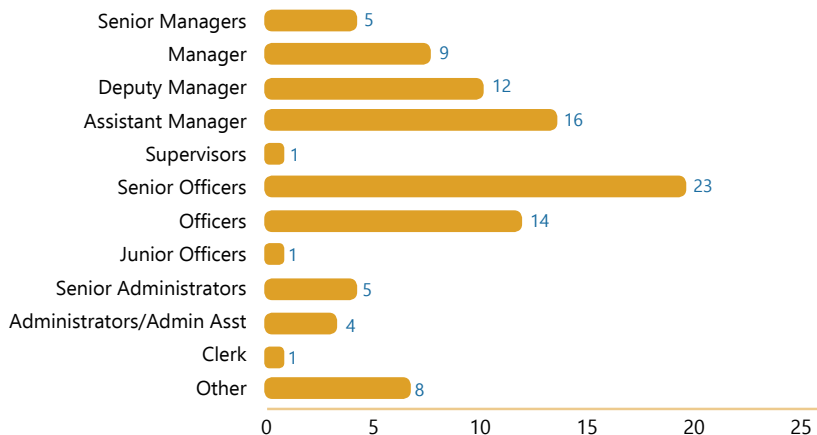
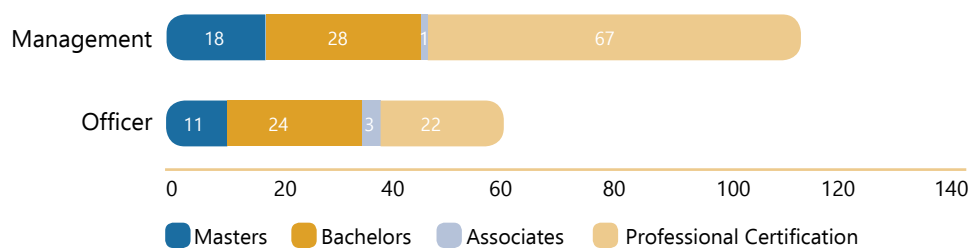


Figure 4: Number of employees by position as at 31 December 2024



*Other represents: 1 Executive Director, 2 Deputy Executive Directors, 1 Janitress, 1 Logistics Assistant, 3 Contract

Figure 5: Qualifications of Commission employees across positions as at 31 December 2024



Training & Development

At the heart of the Commission’s human resources success is our commitment to developing industry experts and creating opportunities for our employees to thrive in their professional careers. We recognize this as essential to our ability to carry out our functions and meet ongoing priorities. The Commission fosters employee growth through promotions and by facilitating exposure to different areas of the organization. Our goal is to ensure that employees are placed in roles that align with their skills and aspirations, enabling both individual and organizational success. During 2024, 19 employees were promoted.

A total of 13 employees attended the Securities Industry Institute SII 2024 hosted by SIFMA (Securities Industry and Financial Markets Associates) and The Wharton School at the University of Pennsylvania in Philadelphia. This program is the premier executive development program for securities industry professionals which is conducted over three consecutive years. The Commission provided financial support and study leave to an employee pursuing bar training school. A number of employees achieved new certifications including the Certified Fraud Examiner and Certified Financial Analyst designations.

To support leadership growth, the Commission hosted several development sessions throughout the year. In January, senior leaders participated in a session led by Chris Fuller that focused on refining leadership capabilities. In October, assistant managers and senior officers also participated in sessions with Chris’s team that provided valuable tools for improving leadership skills. The sessions offered an opportunity to explore the different personality types within our teams, allowing leaders to better understand and optimize their team dynamics.

We congratulate our Head of Policy and Research, Christian Adderley, who secured a position at the Directorate for Financial and Enterprise Affairs at the Organisation for Economic Co-operation and Development (OECD) for a three-year term beginning October 2024. His responsibility in this role includes shaping international standards, providing policy guidance, offering technical assistance, and supporting capacity-building efforts to help countries foster stronger businesses and more efficient markets.

Table 5: Training and Capacity Building Events attended in 2024

Training	Location	Staff Attendance
2024 Securities Industry Institute, The Wharton School and SIFMA	Philadelphia, PA	13
NASAA (North American Securities Administrators Association) Investor Education Training	Minneapolis, MN	2
NASAA (North American Securities Administrators Association) Enforcement Training	Minneapolis, MN	2
University of Miami In Person Immersion	Miami, FL	1

Training	Location	Staff Attendance
London School of Economics, Regulation: Strategies and Enforcement	London, England	1
30th Annual International Institute for Securities Market Growth and Development, US SEC	Washington, DC	6
8th Annual IOSCO/PIFS-Harvard School Global Certificate Program for Regulators of Securities Markets	Madrid, Spain	13
Hope and Fortinet Event-The Crises Room	Freeport, Grand Bahama	2
IOSCO World Bank Workshop on Sustainability Reporting Adoption Roadmaps for Growth & Emerging Markets	San Jose, Costa Rica	1
CaseKonnnect Training	Poinciana House, East Bay Street	3
Bahamas Bar Association Annual Training Days	Imperial Ballroom, Coral Towers, Atlantis Resort	3
BICA Taxation Update Seminar	Grand Hyatt, Baha Mar and Virtual	9
INSOL International Bahamas Seminar 2024	Baha Mar Convention Center	1
Chainalysis CRC Live Reactor Training	Poinciana House, East Bay Street	38
RightPath Leadership Training Seminar with Chris Fuller	Margaritaville Beach Resort	79

Table 6: IOSCO, OECD and CFATF meetings attended in 2024

Meetings	Location	Staff Attendance
IOSCO Committee 4 and Screening Group Meeting	Dubai, UAE	1
IOSCO Assessment Committee (AC) Plenary Meeting	Barcelona, Spain	1
CFATF 58th Plenary and Working Group Meetings	Port of Spain, Trinidad and Tobago	4
CFATF Pre-Onsite Visit to St Maarten and Subsequent Stages of the Process	Madrid, Spain	1
CFATF Sint Maarten MEVAL Onsite	Philipsburg, Sint Maarten	1
OECD CARF Working Group Meeting	Paris, France	1
IOSCO Board and Pre-Meetings	Madrid, Spain	1
IOSCO Assessment Committee (AC) Meeting	Auckland, New Zealand	1
CFATF 59th Plenary and Working Group Meetings	Negril, Jamaica	1
Inter American Regional Committee (IARC)	Mexico City, Mexico	1
49th Annual Meeting of IOSCO	Athens, Greece	4

Table 7: Other Conferences attended in 2024

Conference	Location	Staff Attendance
19th FSI-IOSCO Conference	Virtual	1
2024 General Audit Management Conference	Las Vegas, NV	2
The Assembly-ACAMS Conference	Hollywood, FL	1
OffshoreAlert Miami 20th Annual Conference	The Ritz-Carlton South Beach Miami Beach, FL	2
ARMA InfoCon 2024	Houston, TX	2
AICPA & CIMA Forensic & Valuation Services Conferences	Dallas, TX	1
BSHRM Annual Conference and Expo	Sandals Royal Bahamian	4
The Nassau Conference/AIBT	Baha Mar Convention Center	2
BACO Compliance Day 2024	Baha Mar Convention Center	3
The Assembly Caribbean 2024	Virtual	1
Bahamas Business & Investment Forum	Washington, DC	1
The Financial Intelligence Unit 3rd MLRO Forum 2024	University of The Bahamas	3
BFSB-Financial Crime Enforcement Across Borders Seminar	Margaritaville Beach Resort	6
ACAMS Enhancing AML Risk Assessment	British Colonial Hotel	8

Compensation and Benefits

As part of our ongoing efforts to attract, motivate, and retain top talent, the Commission conducted a thorough review of its benefits package to ensure our benefits and compensation remain competitive in the market.

Employee Engagement

In 2024, 4 staff meetings were held. The quarterly sessions provided updates on Commission operations. The meetings also allowed employees to get feedback on questions and concerns.

The Commission continues to celebrate the achievements and contributions of employees. Notable highlights include the recognition of Long Service Employees, Employee of the Quarter and Employee of the Year. A total of 16 employees were honoured with awards for tenures of 5, 10, 15, and 25 years.

The Commission organized 6 HR Inspire sessions, covering key topics to support personal and professional development. These included, among others, Positive Thinking and a Growth Mindset, Mastering Difficult Conversations: A Playbook for Success and Emotional Intelligence.

Health and Wellness Initiatives

During 2024, we continued to enhance our benefit offerings to improve employee health while managing health plan costs. As part of this effort, the Commission maintained a

strong partnership with our insurance provider who facilitated an engaging health program, the Zest Wellness Plan.

Through a series of webinars, ongoing challenges, and other activities, employees had the opportunity to increase their awareness of health and wellness. These initiatives provided valuable tools to help employees make informed lifestyle choices while encouraging and incentivizing healthier living.

The Commission also offered a session under the theme Mind Matters: Empower Your Mind, Energize Your Life! Conducted by Dr Richard Adderley on 21 June 2024, the session provided valuable insights and tools to manage mental wellness. Additionally, the Commission offers an Employee Assistance Program, which offers confidential counselling services.

Flu Shot Clinic

To promote the health of our team, the Commission facilitated onsite flu shots on 5 November 2024.

Blood Drive

On 18 November 2024, the Commission, in partnership with the Doctors Hospital Blood Bank, hosted an in-house blood drive. Employees from the Compliance Commission and the Financial Intelligence Unit also participated.

Student engagement

In the summer of 2024, 15 high school and college students were provided work experience at the Commission. In addition to their responsibilities in the various departments they were assigned to, the students participated in a project to create media messages for investor education geared to their demographic.

The Commission participated in the University of The Bahamas' Career Fair on 17 October 2024. Volunteers from various departments connected with potential candidates, sharing insights about the organization's career opportunities. This collaboration led to the submission of more than 75 resumes, expanding our talent pool for future vacancies.

Corporate Social Responsibility

The Commission has been an active organization in supporting the broader community through corporate social responsibility by contributing to causes that make a meaningful impact. Sponsored organizations in 2024 included The Bahamas AIDS Foundation, the Sir Victor Sassoon Heart Foundation, the Bahamas Humane Society, the Bahamas Red Cross, the Kingdor National Parkinson's Foundation, the Bahamas National Trust, Paradise Plates/Hands for Hunger, Andrea Archer Institute (formerly PACE Bahamas), Elbow Reef Classic Fishing Tournament/Elbow Reef Lighthouse Society and the Cancer Society of The Bahamas.

Administration

Project Butterfly

Recognizing the continued importance of technology in leveraging business systems, the Commission continued to progress its digital transformation initiative, Project Butterfly, in 2024. The project includes the digitization of the Commission's business processes, revising the external facing Compliance and Regulatory Interface (CoRI) solution, enhancing the Commission's external and internal portals and unifying critical databases. It also includes the automation of selected processes and the development of an electronic workflow management system to manage internal and external processes. The improvement to the IT infrastructure lays the foundation for the implementation of a data warehouse and the development of other digital solutions.

On 31 January 2024, the enhanced CoRI portal was launched, which marked the end of the project's first phase. CoRI allows licensees and registrants to seamlessly interact with the Commission. It features digitized application forms, and some on-going

obligations forms and uses automation in some areas to facilitate the completion and review of the forms.

Existing licensees and registrants have access to their regulatory profile and the ability to submit new applications and filings via the portal. New applicants must access the portal to submit applications. Applications submitted via the portal are reviewed and processed electronically by the Commission and relevant decisions are communicated to licensees and registrants via the portal.

Internally, the use of the portal has allowed staff to track and monitor applications, and filings in a more efficient manner, and has resulted in improved reporting. At year end, 84 percent of the Commission's total licensees and registrants had onboarded to the new CoRI portal.

Phase Two of the project, to launch in 2025, will provide further enhancements to the CoRI portal including the development of additional forms and workflows to support the Commission's operations. It will continue the process of analysing and digitizing the Commission's remaining processes.

Business Continuity Planning

Annually, the Commission reviews and conducts testing of its business continuity plan and recovery systems to remain prepared for and able to respond to disruptions that may impact its ability to conduct normal operations. This year, testing was expanded to consider cyber attacks in the listing of potential disruptions.

Information Technology

Digital Transformation Project

During 2024, Project Butterfly—the Commission's digital transformation project, which was launched in 2022—continued to serve as the backbone for many of the enhancements that have been advanced within information technology within the Commission. The overall goal of the project is to increase efficiencies while providing platforms for greater collaboration between various departments. This collaboration provides transparency of efforts, increased synergies and timely responses and reporting.

The Commission has continued to make steady progress with the digital transformation project through focused efforts to create synergies and align solutions that will allow for seamless data sharing within the organization.

The next stage of Project Butterfly will allow for greater collaboration within the departments of the Commission. We also anticipate increased efficiencies in functionality and responsiveness for filings, application processing and queries. With all technological enhancements however, we are careful not to promote speed above accuracy. Accuracy in data and reporting is a foundational pillar that we stress in all published solutions.

New Applications

Chainalysis

Most of the Commission's staff have been trained on this very powerful tool. Chainalysis promotes greater transaction analysis within the digital assets space. This is important, not only in regulating our digital assets space, but also in broadening our understanding of others within the jurisdiction and who utilize this space.

QuestionPro

The Commission moved to QuestionPro, a more robust survey platform. The platform allows for the ability to streamline the design of our surveys, utilize customized templates, and create more functional analytics of the data collected.

Upcoming

Data Governance and Artificial Intelligence

Artificial intelligence has opened up a whole new perspective in terms of data governance. The Commission is in the process of reviewing and updating our policies to align with the quantum leap within this sphere. While we want to be responsive and available, the Commission is committed to ensuring that the data we collect and disseminate is relevant and accurate. As such, our policies will provide a foundation for further development of the use of this application within the Commission. The policies will also help in determining what can be shared in the public arena.

Internal Audit

The Internal Audit Department (IAD) is a part of the third line of defence within the Commission's risk management structure. The department provides support to the Audit Committee of the Board and management regarding internal controls and risk management. The Head of IAD reports independently to the Audit Committee and administratively to the Executive Director. IAD monitors and responds to potential operational risks.

During the year, the annual corporate risk assessment of the departments in the purview of IAD was conducted. Risk factors considered during the assessment included the ability to meet strategic objectives and systemic risk. The annual IAD assessment informs on the next year's audit plans regarding the specific areas and business processes for evaluation.

Social Committee

The Commission's Social Committee organizes activities, learning opportunities and social outreach initiatives to encourage comradery and support personal development and well-being among the Commission's staff. The Committee is made up of staff-members from across the Commission; members of the 2024 committee were: Antonia Rolle, chair; Kyle Thompson; Jaime Gardiner; Drelexia Bootle and Shari Seymour.

During the year, with the support of management and staff, the Social Committee facilitated several community-centered activities. Key activities for 2024 included:

SCB Gets Fit

In February, the Committee launched the SCB Gets Fit program to promote healthy living and fitness at the Commission. The initiative included team competitions focused on healthy eating and physical activities, incentivized with prizes to encourage engagement. The program also featured informative sessions with health professionals providing staff with the essential knowledge and resources needed to adopt and maintain a healthier lifestyle.



Lupus Awareness Month

In May, the Commission recognized Lupus Awareness Month as a time for reflection and remembrance, honoring the memory of our late colleague Jonique Webb, who bravely battled lupus. The Commission commemorated Jonique by planting a tree in her honor, along with hosting a Lupus Awareness Day breakfast, symbolizing the Commission's commitment to raising awareness for those affected by this disease.

Throughout the month, the Commission observed Purple Denim Day every Friday, encouraging staff to wear purple, the official color of lupus awareness. On Purple Denim Days, staff generously donated funds toward lupus awareness. At the end of the month the funds contributed by staff were matched by the Commission and donated to the Lupus 242 organization, supporting their important work in research, assistance, and awareness. Staff members also participated in various Lupus 242 events throughout the month.

Back-to-School Jamboree

In August, the Social Committee hosted its annual Back-to-School Jamboree under the theme Investing in the Future. More than 300 students from communities near to the Commission participated.

The event aimed to alleviate the financial strain on parents preparing for the upcoming school year while providing a day of enjoyment for families. The Jamboree was held on the Commission's premises and featured activities and treats. To further support families, grocery vouchers were distributed to each child at the conclusion of the event.



First Aid & CPR Certification Course

In September, the Commission's staff participated in a First Aid & CPR Certification Course tailored for new learners and those renewing their certifications. The training offered practical, hands-on experience in essential lifesaving skills and CPR techniques, enhancing the staff's preparedness to effectively manage emergencies. Each participant received a CPR/First Aid Certificate, valid for 18 months. In total, 55 staff members successfully completed this essential training, highlighting the Commission's commitment to safety and emergency readiness.



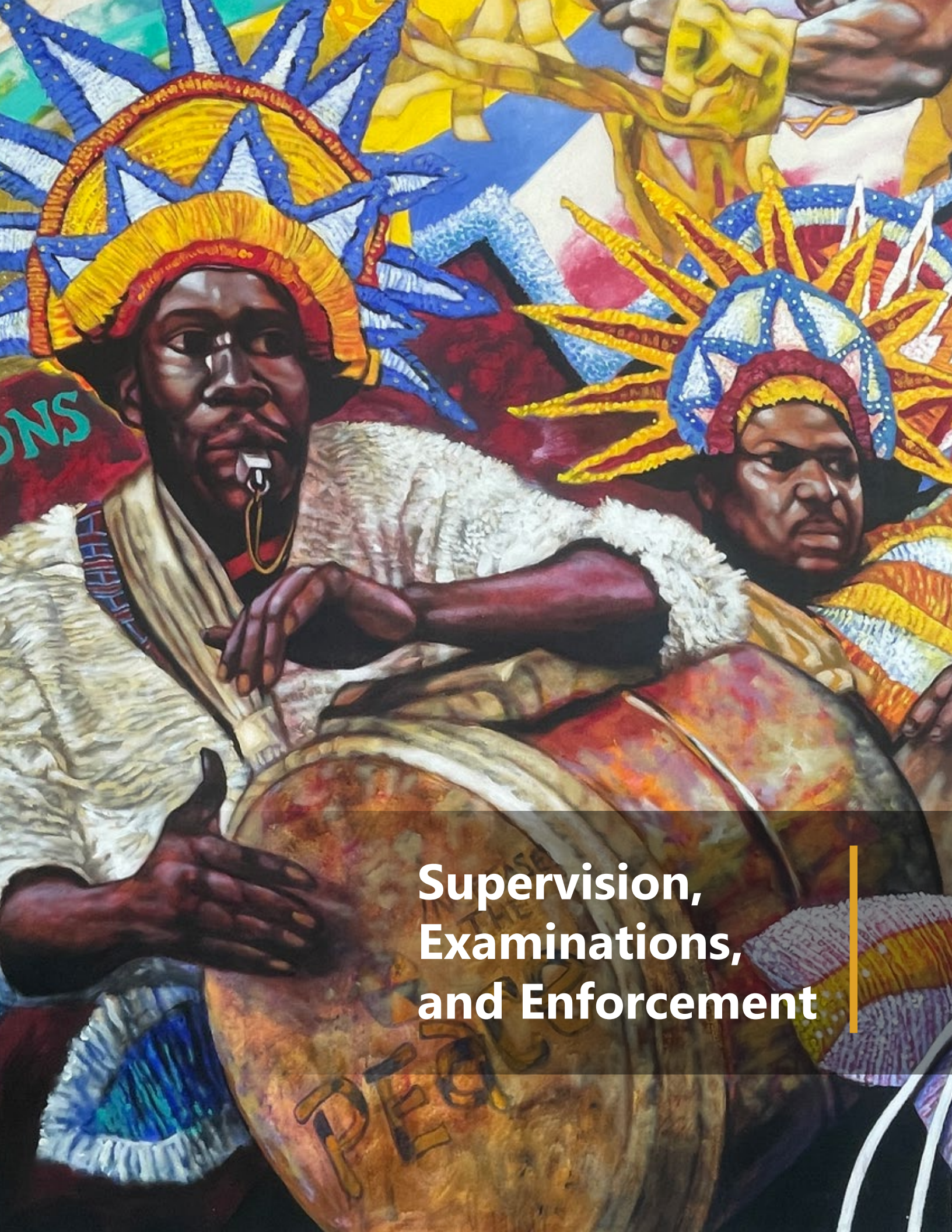
Cancer Awareness Month

During October, the Commission observed Cancer Awareness Month. Every Friday in October during Wear It Pink Friday staff members were encouraged to wear pink and make a donation that would be presented to a local cancer organization. The Commission also hosted an information session on living healthy lifestyles with the aim of combatting cancer.

Teams Giving Competition

In November, the Committee partnered with the Department of Social Services to host its annual Teams Giving Competition, promoting teamwork, creativity, and charitable giving. The initiative encouraged staff members to donate non-perishable groceries, which were delivered to families in need as identified by the Department of Social Services, and various local organizations including the Great Commission Missionaries and Bishop Lawrence Rolle's Community Feeding Program. Collectively, the staff assembled 100 packages, each containing a variety of breakfast, lunch, and dinner items in support of those in need within the community.





Supervision, Examinations, and Enforcement

Capital Markets Overview

The Bahamas International Securities Exchange (BISX) continued to serve as a crucial element in the Bahamian capital markets as the only registered securities exchange. As at 31 December 2024, the market comprised 29 primary market listings (2023: 29) which included 20 ordinary shares with a market capitalization of \$6.58 billion (2023: \$6.237 billion), 4 preference shares with a market capitalization of \$60 million and 5 Bahamas Government Stock (BGS). Additionally, the BGS and listed corporate bonds amounted to a face value of \$349 million, and 257 Bahamas Registered Stock (BRS) amounted to a face value of \$4.343 billion.

The volume of shares traded on BISX in 2024 was 16.146 million (valued at \$119.354 million) in contrast to 2023 when the volume of shares traded was 4.877 million (valued at \$77.930 million). Additionally, as at 31 December 2024 the BISX All-share Index closed at 3,008.22 compared to 2,851.64 in 2023, which represented a 5.49 percent increase.

Licensing, Registration and Examinations

Securities Industry Act (SIA) 2011 and 2024

The Securities Industries Act (SIA) 2024 was promulgated on 29 July repealing the SIA 2011. The new Act updated the regulatory regime of The Bahamas' securities industry. A summary of the key legislative changes is presented in the Legislative Updates section of this report.

Firms

In 2024, the Commission approved **1** new firm under the Securities Industry Act (SIA). **13** firms surrendered their license in 2024. As at 31 December 2024, there were **165** registered securities firms in the industry, which represents a net decrease of **12** firms when compared to **177** firms at 31 December 2023.

Table 8: Firms registered under the SIA

Category	Registered Firms as at 31 December	Approved Firms	Surrenders Completed	Registered Firms as at 31 December
	2023	2024	2024	2024
Dealing as principal or agent	4	0	0	4
Dealing as agent only	10	0	0	10
Arranging deals in securities* only	0	0	0	0
Managing securities* only	14	0	1	13
Advising on securities* only	8	0	3	5
Dealing as agent only and Arranging deals in securities*	11	0	0	11
Dealing as agent only and Advising on securities*	1	0	0	1
Arranging deals in securities* and Managing securities*	1	0	0	1
Arranging deals in securities* and Advising on securities*	2	0	0	2
Managing securities and Advising on Securities*	46	1	6	41
Dealing as principal or agent and Advising on securities*	1	0	0	1
Dealing as principal or agent, Arranging deals in securities*	15	0	2	13
Dealing as principal or agent, Managing securities* and Advising on securities*	4	0	0	4

Table 8 continued

Category	Registered Firms as at 31 December	Approved Firms	Surrenders Completed	Registered Firms as at 31 December
	2023	2024	2024	2024
Dealing as principal or agent, Arranging deals in securities* and Advising on Securities	2	0	0	2
Dealing as principal or agent, Arranging deals in securities* and Managing Securities*	3	0	0	3
Arranging deals in securities*, Managing securities and Advising on securities*	4	0	1	3
Dealing as principal or agent, Arranging deals in securities*, Managing securities* and Advising on securities*	21	0	0	21
Dealing as agent only, Arranging deals in securities*, Managing securities* and Advising on securities*	27	0	0	27
Clearing facilities	1	0	0	1
Marketplaces	2	0	0	2
Total	177	1	13	165

*Effective 29 July 2024, under the new SIA 2024, "securities" are reclassified as "capital market instruments"

Market breakdown by activity

The SIA provides five categories of registrable activities for firms.

Table 9: Firms by registrable activities

Category	As at 31 December 2024
Dealing as principal or agent	48
Dealing as agent only	22
Arranging deals in capital markets instruments	83
Managing capital markets instruments	113
Advising on capital markets instruments	107

Penalties

Penalties assessed in 2024 against SIA firms totaled **\$120,758.12** for late filing of financial statements and/or late payment of annual fees.

Individuals

In 2024, **29** individuals were approved under the SIA. Of the individuals recorded as registered at the end of 2023, a total of **24** individual registrations were surrendered or not renewed. As at 31 December 2024, there were **382** registered individuals under the SIA.

Table 10: Categories of individual registration under the SIA

Category	Individuals Approved	Registered Individuals as at 31 December
	2024	2024
CEO	4	43
Compliance officer	14	87
Representative – Trading	1	42
Representative – Discretionary management	1	12
Representative – Advising	3	42
CEO and Representative – Trading	1	6
CEO and Representative – Discretionary management	1	15
CEO and Representative – Advising	1	8
Representative – Trading and Discretionary management	0	5
Representative – Trading and Advising	1	24
Representative – Discretionary management and Advising	2	26
CEO, Representative – Trading and Advising	0	5
CEO, Representative – Discretionary management and Advising	0	34
CEO, Representative – Trading and Discretionary management	0	4
Representative – Trading, Discretionary management and Advising	0	22
CEO, Representative – Trading, Discretionary management and Advising	0	7
Total	29	382*

*The figures for registered individuals include approvals and surrenders from previous years that had not been reported.

Breakdown by activity

The SIA provides three categories of registrable activities for individuals. A single individual may be registered for a combination of these activities.

Table 11: Individuals by registrable activities

Category	As at 31 December 2024
Trading Representative	115
Discretionary Management Representative	125
Advising Representative	168

Examinations

SIA 2011 and 2024

Firms

During 2024, **10** on-site examinations were conducted on firms registered to conduct securities business. There were no For Cause, or Joint On-Site examinations of licensees conducted with Central Bank of The Bahamas.

Table 12: On-site examinations by category of registration

Category	Examinations Conducted
Dealing in Securities as Principal & Agent	1
Arranging Deals, Managing Securities, Advising on Securities	1
Dealing in Securities as Agent, Arranging Deals, Managing Securities and Advising on Securities	2
Managing Securities and Advising on Securities	2
Dealing as Agent only including underwriting and Arranging Deals in Securities	1
Dealing in Securities as Principal or Agent, Arranging Deals, Managing Securities and Advising on Securities	1
Dealing in Securities as Principal and Agent, Arranging Deals, Managing Securities and Advising on Securities	1
Dealing in Capital Market Instruments as Agent or Principal, Arranging Deals in Capital Market Instruments, Managing Capital Market Instruments and Advising on Capital Market Instruments and trading CFDs	1
Total	10

Investment Funds Act (IFA) 2019

Investment Funds

The Commission licenses investment funds in The Bahamas that invest in numerous underlying investments such as private equity, stocks, fixed income, real estate, exchange-traded funds, derivatives, commodities, venture capital, art, cryptocurrency, fund of funds and feeder funds.

In 2024, **33** investment funds were approved and licensed; of which, **6** were licensed by the Commission, and **27** were licensed by unrestricted investment fund administrators (UIFA) and filed with the Commission. During 2024, **148** investment funds liquidated or surrendered their license, **3** changed investment fund category, and **1** investment fund became dormant, resulting in **545** investment funds licensed at the end of 2024.

Table 13: Investment Funds licensed under the IFA

Category	Funds as at 31 December 2023	Approved Funds 2024	Surrendered/ Liquidated Funds 2024	Net Change of Category	Prior Period Adjustment*	Dormant	Funds as at 31 December 2024
Professional Funds	204	11	44	-1	1	0	171
SMART Fund Model 001	12	3	0	1	0	0	16
SMART Fund Model 002	112	3	22	0	-1	0	92
SMART Fund Model 003	3	0	1	0	0	0	2
SMART Fund Model 004	107	6	37	1	0	0	77
SMART Fund Model 005	4	0	1	0	0	0	3
SMART Fund Model 006	2	0	0	0	0	0	2
SMART Fund Model 007	186	10	40	-1	2	1	156
Standard Funds	29	0	3	0	0	0	26
Total	659	33	148	0	2	1	545

*Prior Period Adjustment refers to any change related to an existing fund that occurred in a previous period but was not identified or recorded until the current period.

Table 14: Investment Funds licensed by UIFAs and the Commission during 2024

Category	Licensed and filed by UIFAs	Licensed by SCB
Standard Funds	Not Applicable	0
Professional Funds	8	3
SMART Fund Model 001	0	3
SMART Fund Model 002	3	0
SMART Fund Model 003	0	0
SMART Fund Model 004	6	0
SMART Fund Model 005	0	0
SMART Fund Model 006	0	0
SMART Fund Model 007	10	0
Total	27	6

Table 15: Registered Investment Fund Managers

Investment Fund Managers as at 31 December 2024	
Registered Investment Fund Managers	212
Investment Funds with a Registered Investment Fund Manager	424

Investment Fund Administrators

In 2024, **1** investment fund administrator surrendered its license. As at 31 December 2024, there were **43** licensed investment fund administrators.

Table 16: Licensed Investment Fund Administrators

Category	Licensed Administrators as at 31 December 2023	Surrendered 2024	Licensed Administrators as at 31 December 2024
Unrestricted Investment Fund Administrator	31	1	30
Restricted Investment Fund Administrator	13	0	13
Total	44	1	43

During 2024, **7** foreign fund administrators were administrators for **13** Bahamas-based funds. As at 31 December 2024, **19** licensed investment funds were being self-administered pursuant to Section 8 of the IFA 2019.

Assets Under Administration

Total assets under administration for Bahamas-based funds at 31 December 2024 was **\$47.45 billion** (preliminary), compared to **\$53.21 billion** (revised) for the period ending 31 December 2023, a decrease of 10.83%.

Examinations

IFA 2019

During 2024, **6** examinations of licensees or registrants under the IFA were conducted.

Table 17: Examinations of licensees or registrants

Category	
Restricted	2
Unrestricted	4
Total	6

Penalties

Penalties assessed in 2024 against investment funds administrators and investment funds totaled **\$351,000** for late or outstanding audited financial statements, late or non-submission of payment of annual fees, investment fund manager fees and other regulatory filings

Financial and Corporate Service Providers Act (FCSPA) 2020

During 2024, **16** financial and corporate service providers (FCSPs) were newly licensed and **2** surrendered their licenses which brought the total number of licensed financial and corporate service providers to **306**. Of this total, there were **224** licensees in the category of Corporate Service Provider, **48** licensees in the category of Financial Service Provider, and **34** licensees in the category of both Financial and Corporate Service Provider.

Table 18: Registered Financial and Corporate Service Providers by entity type

Category	FCSPs as at 31 December 2023	Approved 2024	Surrendered 2024	FCSPs as at 31 December 2024
Companies	211	11	2	220
Partnerships	17	1	0	18
Individuals/Unincorporated Bodies	64	4	0	68
Total	292	16	2	306

Table 19: Registered Financial and Corporate Service Providers by activity

Category	As at December 2024
Corporate Services only	224
Financial Services only	48
Financial and Corporate Services	34
Total	306

Examinations

FCSPA 2020

During 2024, **44** examinations of financial and corporate service providers were conducted; **20** by the Commission and **24** by the Commission's appointed authorized agents.

Table 20: Examinations by category of Financial and Corporate Service Provider

Category	Conducted by SCB	Conducted by Agent	Totals
Corporate Services only	12	18	30
Financial and Corporate Services	2	1	3
Financial and Corporate Services approved for digital asset wallet services	1		1
Financial Services only	7	1	8
Financial Services only and approved for digital asset wallet services	2		2
Total	24	20	44

Digital Assets and Registered Exchanges Act (DARE) 2020 and 2024

The promulgation of the Digital Assets and Registered Exchanges Act (DARE) 2024 on 29 July repealed and replaced DARE 2020 and resulted in a number of changes to the supervisory framework for digital assets and registered exchanges. A summary of the key legislative changes is presented in the Legislative Updates section of this report.

During the year, the DARE Unit continued to engage in pre-applicant meetings relating to registration under the DARE Act. As at 31 December 2024, there were 25 firms registered under the DARE Act.

Table 21: DARE registrants

Category	As at 31 December 2023	As at 31 December 2024
Digital Asset Business ¹ (excluding exchanges)	15	19
Digital Asset Business & Digital Asset Exchange	2	5
Digital Asset Exchange (only)	1	1
Total	18	25

¹ Four digital asset businesses are joint licensees: one registered firm and three financial and corporate service providers.

Examinations

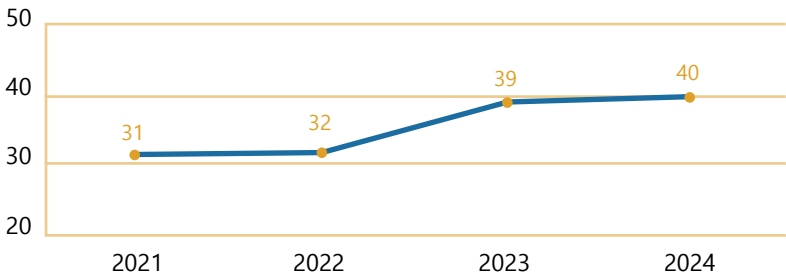
DARE 2020 and 2024

During 2024, no examinations of DARE licensees were conducted.

Examinations

During 2024, the Commission conducted **38** routine examinations of registrants and licensees. From 2021 to 2024, the Commission completed an average of **36** on-site examinations **31** in 2021, **32** in 2022, **39** in 2023 and **40** in 2024).

Figure 6: Routine examinations conducted by the Commission 2021-2024



Enforcement

There were **18** enforcement matters brought forward from 2023. During 2024, **2** litigation matters were opened, **1** criminal matter was opened, and **1** litigation matter was closed. As at 31 December 2024, **20** enforcement matters remained open, of which **13** involved litigation, **3** were administrative and **4** were criminal matters. Criminal matters are transferred to another agency; however, the Commission maintains the matters on its records until they are resolved. Administrative matters primarily concerned non-compliance with filing obligations and client files/records requirements under the Securities Industry Act and Regulations.

Table 22: The nature of enforcement matters in 2024

Type of Matter	Matters brought forward from previous years into 2024	New matters opened in 2024	Matters closed in 2024	Matters that remained open as at 31 December 2024
Litigation	12	2	1	13
Administrative	3	0	0	3
Criminal	3	1	0	4
Total	18	3	1	20

Table 23: Enforcement warning and notices issued by the Commission during 2024

Notice	Description*	Issue Date
Beyond Trading, Billionaire Traders & Ben Mel Trading	Public Notice No 1 warned against doing business with Beyond Trading, Billionaire Traders & Ben Mel Trading.	24 January 2024
Winding Up Petition for Mdollaz Ltd dba Arawakx, and Related Matters	Public Notice No 3 was issued advising the public that the Supreme Court of the Commonwealth of The Bahamas granted the Commission's application for the court-supervised provisional liquidation of MDollaz Ltd, doing business as (dba) ArawakX and advising that Ed Rahming of Intellisys and Cheryl Simms of Kikivarakis & Co were appointed as Joint Provisional Liquidators.	21 February 2024
Entities Not Regulated by the Securities Commission of The Bahamas	Public Notice No 4 Limited, CME0 Markets Limited, Cryptoburst Markets Limited, Demo Markets Limited, Diag Ex Markets Limited, Eascor Markets Limited, FXCH Markets Limited, HTR Markets Limited, Ice Markets Limited, IFC Markets Limited, Leggmason Ex Markets Limited, Liberty Capital Markets Limited, Nasdaq Dubai, Robinhoodreal Markets Limited, Scex Markets Limited, Spring Gold Market Group PTY Ltd, and Synergy Fx Markets Limited.	1 May 2024

Notice	Description*	Issue Date
Auto H and L Ltd - Current and Past Clients to contact AHL concerning Interest Repayment	Public Notice No 5 indicated that Auto H and L Ltd. (AHL) miscalculated interest on customer loans, thus violating the Rate of Interest Act (RIA), and that AHL will reimburse affected clients. The notice advised that those impacted persons should email the audit firm Baker Tilly regarding with the necessary documentation to support their reimbursement requests.	15 May 2024
My Investment Market	Public Notice No 6 warned against doing business with My Investment Market.	15 May 2024
Entities Not Regulated by the Securities Commission of The Bahamas	Public Notice No 7 warned against doing business with Aorthoinc Markets Limited, BITMEX.US Markets Limited, CMOTD Markets Limited, DIAG Co Markets Limited, Irstrades Markets Limited, HIBT Markets Limited, Ice Markets Limited, Kaiher Markets Limited, PTASTAR Markets Limited, Robinhoodreal Markets Limited, SCEXS Markets Limited, Truthtag Markets Limited, UNICFDS Markets Limited, and USDETF Markets Limited.	19 July 2024
Fake Securities Commission of The Bahamas Website	Public Notice No 8 warned against engaging with the fraudulent website, www.sc-bahamas.org , as it is impersonating the official website of the Commission.	22 July 2024
Infinity Kairos International Ltd	Public Notice No 9 warned against doing business with Infinity Kairos International Ltd (IKIL) or Billion Local Cold Coin.	22 July 2024
GBS Gold Standard Bank Ltd dba: GS Partners, Swiss Valorem Bank Ltd et al	Public Notice No 10 warned against doing business with GSB Gold Standard Bank Ltd (GS Partners) dba Swiss Valorem Bank Ltd, GS Partners, G 999, Gold Standard Partners, GS Partners and GSP, GS Partners Global, GS Smart Finance, GS Trade Exchange, GSB Gold Standard Bank Ltd, GSB Gold Standard Banking Corporation PLC, GSB Gold Standard Pay, GSB Gold Standard Pay Ltd, GSB Gold Standard Trade, GSDEFI, GS Digital Partners LLC (GS PRO), GSP, GSPARTNERS, GSTRADE, Lydian World, Swiss Valorem Bank Ltd, and Wealthbuilders Worldwide.	7 August 2024

JTS INVESTMENT SECURITIES LTD	Public Notice No 11 warned against doing business with JTS Investment Securities Ltd dba Loans By Phone.	7 August 2024
Arrow Fortune Limited Apex Platform Curion Finance	Public Notice No 13 warned against doing business with Arrow Fortune Limited, Apex Platform, and Curious Finance.	23 October 2024

The full text of public notices and investor alerts issued by the Commission can be found at <https://www.scb.gov.bs/investor-centre/investor-alerts-and-notices/>.

Copies of judgments are available on the Commission's website at <https://www.scb.gov.bs/enforcement/judgements/>.

IOSCO MMoU Requests

As an IOSCO MMoU A Signatory, the Commission is able to request and receive non-public information from other IOSCO MMoU A Signatories, especially as it relates to ongoing investigations. However, during the course of 2024, the Commission did not make use of this tool.

Other Enforcement Data

Statistical data on financial schemes, winding-up proceedings, and complaints remain integral to the Commission's mandate, facilitating the effective oversight of market activity, early identification of potential risks, and the execution of timely regulatory interventions.

The charts below represent the activity monitored and recorded by the Commission over the past year.

Table 24: Financial Schemes as at 31 December 2024

Type of Financial Schemes	Legislation Applied	Quantity
Training: Forex Trading, Cryptocurrency Trading	FCSPA	1
Ponzi, Investment Fund, Cryptocurrency	FCSPA	1
Ponzi, Investment Fund	FCSPA	1
Ponzi, Cryptocurrency	FCSPA	1

Table 25: Complaints by legislation as at 31 December 2024

SIA	IFA	FCSPA	DARE	Non Registrant	Total
98	2	27	0	14	144

Table 26: Wind-Ups for SIA/IFA/FCSPA/DARE as at 31 December 2024

Wind-Ups for SIA/IFA/FCSPA/DARE	Date of filed Wind-Up	Legislation Applied	File Location
Mtech (Mdollaz)	05-Mar-24	SIA	Legal Files/Board Update



Legislation |

Legislative Updates

Enacted Legislation

Digital Assets and Registered Exchanges Act 2024

To ensure the regulatory framework for digital assets and registered exchanges remains up to date, comprehensive and in line with international standards and best practices, the Commission conducted a review and assessment of the growing digital asset space and the DARE Act 2020 which led to proposed amendments to that legislation. The Commission released the proposed DARE Bill which would repeal and replace the DARE Act for public consultation on 25 April 2023.

Subsequently, the Commission incorporated recommendations from that consultation and the Digital Assets and Registered Exchanges Act was passed and came into force on the 29 July 2024.

The Act, among other things, expands the activities which constitute a digital asset business, establishes operational standards for exchanges, sets a framework for liquidity requirements of digital asset businesses, and addresses staking and custody and wallet services. It also establishes a regulatory framework for stablecoins including provisions for acceptable forms of and requirements for reserve assets related to custody, management, segregation, reporting and redemption.

In relation to initial token offerings (ITO), the Act expands investor protection provisions by requiring that the issuer is fit and proper, prepares an offering memorandum unless exempt and meets continuing disclosure obligations. Further, purchasers' rights to rescission, damages or to withdraw, have been expressly provided in the Act. A voluntary ITO registration regime is established for issuers who wish to seek registration/regulation for their token offerings.

Additionally, the Act confirms the policy that digital assets forming a part of an affinity or reward program whose value cannot be taken from or exchanged for legal tender, credit or other digital asset as well as digital assets offered on a gaming platform by the publisher are not within the scope of the Act.

The Act reflects the Commission's intention to ensure that the DARE framework remains innovative and sufficiently flexible to keep pace with the evolving and emerging trends within the digital asset space.

Securities Industry Act 2024

The Securities Industry Act 2024 is an update and overhaul of the regulatory regime of The Bahamas' securities industry, which is intended to ensure that the laws relating to the securities and capital markets are current, competitive and reflect international best practice and standards. The Act establishes a framework that:

- a. Ensures a robust and agile regulatory regime;
- b. Complies with IOSCO Objectives and Principles of Securities Regulation, the FATF 40 Recommendations and international best practices; and
- c. Enhances and encourages new business within the jurisdiction.

In particular, the Act sharpens and clarifies the Commission's power to access records and request information from regulated persons for general purposes not connected to an investigation or examination. Built into the Act is a foundation for a voluntary liquidation framework relating to marketplaces. The Commission's continued jurisdiction of registrants for a period after liquidation is restored from a previous iteration of the Act.

There are several new areas addressed in the Act including the introduction of a framework for the supervision of derivatives, a regime for the management of systemic risk and the capturing of the activity or behavior known as "tipping off" as an offence. Notably, the Act also empowers the Commission to declare by Order, that a digital asset or class of digital assets is a security or vice versa.

Further, the Act features an enhanced enforcement framework which enables the Commission to respond agilely, efficiently and proportionately in the event of statutory breaches and establishes a framework for the imposition of sanctions for statutory breaches without prior hearing. It also confirms the Commission's authority to issue directives separate and apart from its examination and investigation authority. It expressly provides the authority of the Commission to file a criminal complaint as well as enhances the Commission's supervisory authority framework to address non-compliance through automatic administrative action including:

- a. Levying automatic fines;
- b. Ordering licensees and registrants to take specific actions or to cease and desist specific activities;
- c. Accessing any information needed by the Commission; and
- d. Attaching conditions to the license or registration of a non-compliant licensee or registrant.

Finally, the enforcement framework also mandates the publication of penalties including the final decision with

reasons and the identity of the person against whom the decision is made. Such disclosures are intrinsically an enforcement strategy to provide credible deterrence against contravention of the law and to encourage compliance by registrants.

Securities Industry (Fees) Rules 2024, Digital Assets and Registered Exchanges (Fees) Rules 2024, Investment Funds (Fees) Rules 2024 and the Financial and Corporate Service Providers (Fees) Rules 2024

The Commission proposed a review of its fees in respect of the Securities Industry Act 2024, the Digital Assets and Registered Exchanges Act 2024, the Investment Funds Act 2019 and the Financial and Corporate Service Providers Act 2020. It released draft rules for consultation on 3 October 2024. The various rules were subsequently made by the Chairman and published in the Official Gazette on 23 December 2024.

The International Obligations (Economic and Ancillary Measures) Act (IOEAMA)

The International Obligations (Economic and Ancillary Measures) Act (IOEAMA) provides for the application of economic sanctions and the implementation of ancillary actions and countermeasures as internationally required, as well as operationalizes the international obligations of The Bahamas. In accordance with the requirements of IOEAMA and the Anti-Terrorism Act 2018, the Commission issues notice of United Nations Security Council Resolutions (UNSCRs), relevant annexes, schedules, and amendments thereto, to licensees and registrants for appropriate action. Additionally, in accordance with the requirements of IOEAMA, the Commission issues notices of unilateral sanctions imposed by foreign states against a person or another foreign state pursuant to an Order by the Governor General or a Directive from the Attorney General.

The Commission monitors the compliance of licensees and registrants with required actions through an initial confirmation of compliance, due within 30 days of the issuance of a notice by the Commission, quarterly confirmations of compliance, as well as annual declarations of compliance, as a component of its supervision and onsite examination regimes.

The Commission disseminated 19 IOEAMA UNSC resolution related notices during 2024.

Caribbean Financial Action Task Force (CFATF) Update

The CFATF is a FATF-style regional body comprising states and territories of the Caribbean basin, Central and South America, which have agreed to implement common standards and obligations to address money laundering, terrorism financing and the financing of proliferation of weapons of mass destruction. The primary objective of the CFATF is to ensure regional compliance with, and effective implementation of, the FATF 40 Recommendations. This objective is achieved in part through ongoing mutual evaluations, and subsequent reports, of member states. The Mutual Evaluation Report summarizes the anti-money laundering, countering the financing of terrorism and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF) regimes within a member country. The report also gives an analysis of the country's level of compliance with the FATF 40 Recommendations relevant to the technical framework of a jurisdiction, the level of effectiveness of the country's AML/CFT/CPF regime measured by the FATF 11 Immediate Outcomes and includes recommendations on ways the technical aspects of the regime and the effectiveness thereof can be improved.

The Bahamas maintains its rating of compliant or largely compliant with 40 of 40 of the FATF Recommendations. The Bahamas remains committed to implementing and maintaining an appropriate and effective AML/CFT/CPF regime inclusive of the implementation of a vigorous AML/CFT/CPF framework, a National Risk Assessment Framework, and AML/CFT/CPF Guidance Notes and industry training outreach.

The Commission completed a gap analysis of its AML/CFT/CPF regime in preparation for the 5th round Mutual Evaluation to measure its effectiveness and which is to be scheduled in 2026.

International Cooperation

Pursuant to Sections 40 and 41 of the Securities Industry Act 2024 (SIA), the Commission is authorized to process requests received from foreign regulators for the exchange of information for administrative, supervisory and enforcement purposes including criminal proceedings related to securities laws.

The Commission is an 'A' signatory to IOSCO's Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU). The Commission is also an A1 signatory to the IOSCO Enhanced MMoU Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the

Exchange of Information (EMMoU). Where the Commission receives a request from an international counterpart that is also a signatory to the MMoU or the EMMoU, information is exchanged accordingly.

The Commission evaluates every request received to ensure that it meets the information sharing requirements as set out in the SIA and the terms of the MMoU and/or the EMMoU.

In 2024, the Commission dealt with a total of 29 international requests for assistance. There were 15 new matters received in 2024, which was an increase of 4 matters received in 2023. The remaining 14 matters were brought forward from 2023.

Table 27: IOSCO MMoU requests received in 2024

Authority	Jurisdiction	New requests received in 2024
Authorities des Marches Financiers (AMF)	France	2
Authorities des Marches Financiers (AMF)	Quebec	1
British Columbia Securities Commission (BCSC)	British Columbia	1
Commissione Nazionale Societa La Borsa (CONSOB)	Italy	1
Financial Conduct Authority (FCA)	United Kingdom	2
Hellenic Republic Capital Market Commission (HRCM)	Greece	1
Ontario Securities Commission (OSC)	Ontario	1
Securities & Exchange Board of India (SEBI)	India	1
United States Commodity Futures Trading Commission (USCFTC)	United States of America	1
United States Securities & Exchange Commission (USSEC)	United States of America	3
Urzad Komisji Nadzoru Finansowego (UKNF)	Poland	1
Total		15

As at 31 December 2024, the Commission had a total of **10** open international requests pursuant to the IOSCO MMoU that consisted of **3** matters brought forward from 2023 and **7** of the **15** of the new requests received by the Commission in 2024. The Commission closed **19** matters in 2024.

Table 28: International requests for assistance under the IOSCO MMoU

Outstanding matters from 2023	14
New requests received in 2024	15
Matters closed	19
Outstanding matters at 31 Dec 2024	10

The Commission made no requests of an Overseas Regulator pursuant to the IOSCO MMoU as at 31 December 2024.

Frequently Used Abbreviations and Terms

AC – Audit Committee
ACCA – Association of Chartered Certified Accountants
ADD – Administration Department
AI – Artificial Intelligence
AICPA – American Institute of Certified Public Accountants
AML/CFT/CPF – Anti-money laundering /Countering the Financing of Terrorism/Countering Proliferation Financing
BACO – Bahamas Association of Compliance Officers
BFSB – Bahamas Financial Services Board
BISX – Bahamas International Securities Exchange
BGS – Bahamas Government Stock
BRS – Bahamas Registered Stock
BSHRM – Bahamas Society for Human Resources Management
CFA – Chartered Financial Analyst
CFATF – Caribbean Financial Action Task Force
CGSR – Caribbean Group of Securities Regulators
CIMA – Chartered Institute of Management Accountants
Commission, the – Securities Commission of The Bahamas
CoRI – Compliance and Regulatory Interference
CPA – Certified Public Accountant
CPF – Countering Proliferation Financing
CWG – Caribbean Working Group
DAB – Digital Asset Business
DAO – Decentralized Autonomous Organization
DAPS – Digital Asset Policy Statement
DARE – Digital Assets and Regulated Exchanges Act
EMMoU – Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information
END – Enforcement Department
ESG – Environmental, Social, and Corporate Governance
EXD – Examinations Department
Ex officio member – A member of the Board by virtue of the office he or she holds
FATF, the – Financial Action Task Force
FCSP – Financial and Corporate Service Provider
FCSPA – Financial and Corporate Service Providers Act
GEMC – Growth and Emerging Markets Committee
GFSR – Group of Financial Services Regulators
GFIN – Global Financial Innovation Network
HRC – Human Resource Committee
HRD – Human Resources Department
IAD – Internal Audit Department
IARC – Inter-American Regional Committee
IFA, 2019 – Investment Funds Act, 2019
IFIE – International Forum of Investor Education
IOEAMA – International Obligations (Economic and Ancillary Measures) Act
IOSCO – International Organization of Securities Commissions
ITD – Information Technology Department
ITO – Initial Token Offering
MMoU – Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information
NAGB – National Art Gallery of The Bahamas
OECD – Organisation for Economic Co-operation and Development
OED – Office of the Executive Director
OFAC – Office of Financial Assets Control
OFC – Office of the Financial Controller
OLC – Office of Legal Counsel
RIA – Rate of Interest Act
SCB – the Securities Commission of The Bahamas
SIA – Security Industry Act
SMART Fund – Specific Mandate Alternative Regulatory Test Fund
SUD – Supervision Department
UIFA – Unrestricted Investment Fund Administrators
UNSC – United Nations Security Council



Artwork: R. Brent Malone, "Celebration: Spirit of Junkanoo", 1996, acrylic on canvas, 11' x 18'
NAGB, National Collection. Gifted by UBS 2018. © The Malone Estate.



A Homecoming for a National Treasure: Brent Malone's Masterwork Returns to Poinciana House

By Erica Wells Cox

Where once there was a stark white void in the foyer of Poinciana House on East Bay Street, now hangs a symphony of color and rhythm, an artistic return that is as much about space as it is about spirit.

After more than a decade in the care of the National Art Gallery of The Bahamas (NAGB), R. Brent Malone's "Celebration: Spirit of Junkanoo"—originally commissioned for the Poinciana House building by Swiss banking group UBS—has returned to its original home.

The timing of its return is poignant: it now serves as the visual centerpiece of the Securities Commission of The Bahamas' (SCB) 30th anniversary, and once again presides over the very space it was created to command.

"It just feels right again," said Christina Rolle, Executive Director of the Securities Commission of The Bahamas. "That piece makes a powerful visual statement. Without it, the space felt incomplete."

That painting—a swirl of vivid costumes, jubilant music, and marching dancers—captures the energy and iconography of Junkanoo, the distinctly Bahamian festival that has become a cultural institution. For Malone, the festival was a lifelong muse. He spent years portraying its evolution, its pulse, and its people. This custom large-scale piece stands 11' x 18' and embodies the spiritual climax of that exploration.

Speaking of his Junkanoo paintings, Malone said, as quoted by the NAGB: "It took me 13 years of painting to find an epic subject matter of personal meaning to me—and that subject is Junkanoo. Any free spirit who has experienced Junkanoo will understand my excitement, and hopefully, if my craft has matured over the last 13 years, will understand my new art as well."

When UBS sold the property, they ensured the artwork would not disappear into private obscurity. Instead, they donated the piece to the National Art Gallery, with the goal of giving the nation enduring access to what they called a "national treasure."

"[UBS] is pleased to gift the Brent Malone [painting] to the National Art Gallery to make it available to the broader public in this region," said Mary Rozell,

Global Head of the UBS Art Collection in a 2018 press release. "The Collection is committed to supporting and encouraging the artistic communities in places where UBS does business and has acquired works by notable Bahamian artists such as Nicole Minnis, Amos Ferguson, and Maxwell Taylor over the years."

At the time, Amanda Coulson, then-executive director of the NAGB, said in a 2018 press release from the Gallery: "[Brent Malone] is unquestionably one of the most important artists in Bahamian history. 'Celebration: Spirit of Junkanoo' is one of the most expansive and comprehensive displays of his longest standing inspiration—Junkanoo. In many respects, his work and commitment to expressing the form changed the manner in which the festival was seen and understood. Shifting perceptions that ultimately alter reality is the single most powerful act of an artist. Malone did that and we are forever grateful and changed for it. We are extremely thankful to UBS for allowing this magnificent work to remain in The Bahamas where it will be forever enjoyed and cared for by the Bahamian people."

From there, the painting entered the public domain. It was exhibited at Baha Mar in its Fairwind Exhibition, rotated through the NAGB's collections, brought before new audiences in public spaces. But for some, the painting's absence from its original setting left a lingering void.

"When we first toured the building during the purchase process, the painting was still there," Ms. Rolle recalled. "When we took possession, and it was gone, there was just this empty space. We never even considered putting anything else there."

The desire to bring it back was persistent—and it was Ms. Rolle who championed the effort from the very beginning. Recognizing the cultural significance of the work and its integral role in the building's identity, she made the painting's return a personal mission, quietly but deliberately working to make it happen.

Early conversations began with Ms. Coulson and continued with the NAGB's curatorial team after her departure. Under Ms. Rolle's leadership, Poinciana SPV (Special Purpose Vehicle) Ltd.—the company that owns the Poinciana House property that houses SCB—



Bringing the Malone piece back to Poinciana House was more than a matter of aesthetic restoration—it was a reaffirmation of our commitment to Bahamian culture.

formally expressed interest in returning the work to the foyer, but only with the understanding that the artwork would remain properly cared for and visible to the public.

“We made it clear we wanted the work on display at Poinciana House,” said Ms. Rolle. “So we started working through the process of borrowing it.”

What followed was an exercise in stewardship and trust, with the SCB team navigating the complex negotiations. The NAGB required a detailed site review to ensure the space still met conservation standards. Poinciana SPV had to provide proof of insurance, adequate lighting, environmental controls, and security. It took several years of back-and-forth, inspections, and gentle negotiations.

Finally, in early 2025, the agreement was made—and with it, a cultural homecoming that Ms. Rolle and the team at SCB had been determined to achieve.

The timing was intentional. The Securities Commission of The Bahamas, one of several national institutions housed within Poinciana House, was preparing to celebrate its 30th anniversary. “It was important to us that the cultural resonance of that painting be part of our celebration,” said Ms. Rolle.

The piece is on official loan to Poinciana SPV Ltd., but the effect is shared by all who enter the building. Since its return, the painting has stopped people in their tracks. “Everyone—from staff to security personnel—stops to look at it and comment,” noted Alysia Archer-Colebrooke, a senior manager at SCB and a representative of Poinciana SPV. “People recognize elements: the Junkanoo groups, the flag, the bold colors. Everyone connects with it in some way.”

That connection was always Malone’s intent. A highlight of his artistic career was his focus on Junkanoo. These works are at once celebrations and interrogations, showing the festival not merely as spectacle but as a space of memory, identity, and resistance.

Ms. Rolle described the painting’s return as “deeply meaningful.” She said: “Bringing the Malone piece back to Poinciana House was more than a matter of aesthetic restoration—it was a reaffirmation of our commitment to Bahamian culture. We believe that the spaces we inhabit should reflect the spirit of our people and our heritage.”

She also emphasized that the Commission has been intentional about surrounding its team and its visitors with Bahamian art. “From the beginning, we made a deliberate decision to only acquire and display Bahamian art in our offices,” Ms. Rolle said. “This isn’t just about décor. It’s about visibility, pride, and investing in our cultural landscape. We want to promote the voices and visions of Bahamian artists—past and present.”

Today, the space around the Malone piece is being reimagined for deeper public engagement. The SPV is working with the NAGB to acquire catalogues and interpretive materials for staff and visitors. The hope is to foster a stronger appreciation for Bahamian visual culture and to host additional works by Bahamian artists on the building’s other walls.

“We’ve already seen people taking photos, posting them, tagging the NAGB,” Mrs. Archer-Colebrooke said. “It’s gone beyond just the people who work in this building. It’s become part of a shared experience.”

In the end, the painting’s return is about integrity—of space, of memory, and of culture. A commissioned artwork may belong to its owner, but a masterpiece like this belongs to its people.

Now, as one enters Poinciana House, that reminder is immediate. It is painted in bold brushstrokes, caught mid-dance, in the mirrored eyes of Junkanoo revelers—and it is home.

R. Brent Malone: “Celebrating: Spirit Of Junkanoo” appears on the cover and throughout this report.



Financials |

Financial Summary

The audited financial statements that appear on the following pages of this Annual Report represent the financial position of the Securities Commission of The Bahamas (the Commission) as at 31 December 2024 along with the Commission's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards. Comparative figures for the year ended 31 December 2023 are shown.

The Commission's income is mainly generated from fees charged to licensees, registrants and applicants under the Securities Industry Act 2024 (SIA), the Investment Funds Act 2019 (IFA), the Financial and Corporate Services Providers Act 2020 (FCSPA) and the Digital Assets and Registered Exchanges (DARE) Act 2024 as well as funding from the Government of The Bahamas (the Government).

In 2024, the financial services industry in The Bahamas experienced attrition in the number of licensees and registrants under the SIA providing contracts for differences. This contraction and the general decrease in applications for new licenses and registrations were the main contributing factors to the 8% decrease in fee income from \$12.2 million in 2023 to \$11.3 million in 2024. There was also a 38% decrease in government subvention utilised from \$3.2 million in 2023 to \$2.0 million in 2024.

Notwithstanding the decrease in fees and government subvention, the Commission's overall income increased by 29% from \$19.0 million in 2023 to \$24.5 million in 2024. This resulted from issuing an invoice for the Commission's service as trustee for the of the digital assets of FTX Digital Markets Ltd (FDM) period November 2022 to April 2024. The assets were all transferred to the joint official liquidators (JOLs) by 22 April 2024. The JOLs agreed to reimburse the Commission for its legal and related costs, in addition to compensating the Commission \$10.0 million for services rendered as trustee of FDM's digital assets, which included actions taken outside the normal course of a regulatory wind up.

The conclusion of the Commission's involvement in the wind up of FDM, lead to a \$2.2 million reduction in licensee liquidation proceedings from 2023 to 2024. There was also a notable decrease in training and conference expenses as major costs related to the University of Cambridge and University of The Bahamas FinTech training licensing agreement, the D3 conference and hosting meetings for various committees of the International Organization of Securities Commissions were borne in 2023. Overall, expenses decreased by 19%, from \$19.3 million in 2023 to \$15.5 million in 2024.

The updated SIA and DARE were both promulgated in 2024. In the short term, the Commission aims to conclude revision of the Securities Industry Regulations and related rules. It will also focus on preparation for the Caribbean Financial Action Task Force's mutual evaluation of The Bahamas and for the Organisation for Economic Co-operation and Development's review of the effectiveness of The Bahamas' regulatory framework with respect to the Common Reporting Standards.



Independent auditors' report

To the Members of Securities Commission of The Bahamas

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Securities Commission of The Bahamas (the Commission) as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Commission's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Commission in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Other matter

This report, including the opinion, has been prepared for and only for the Members in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants
Nassau, The Bahamas

27 June 2025

Securities Commission of The Bahamas

(Established under the laws of the Commonwealth of The Bahamas)

Statement of Financial Position

As at 31 December 2024

(Expressed in Bahamian dollars)

	2024 \$	2023 \$
ASSETS		
Cash and cash equivalents	6,721,215	6,723,640
Accounts receivable, net (Note 6)	10,605,703	1,773,240
Prepaid expenses and other assets	430,084	313,365
Investments in debt securities (Note 4)	2,792,150	2,787,686
Right-of-use assets (Note 5)	2,900,678	2,019,274
Property and equipment (Note 8)	163,648	259,791
Computer Software (Note 9)	706,722	706,722
Total assets	24,320,200	14,583,718
LIABILITIES		
Accounts payable and accrued expenses	2,061,641	1,504,130
Other liabilities	132,209	4,881
Lease liabilities (Note 5)	3,017,918	2,414,208
Deferred income (Note 10)	-	2,500
Contribution due to Poinciana SPV Ltd. (Note 11)	3,500,000	4,000,000
Total liabilities	8,711,768	7,925,719
NET ASSETS	15,608,432	6,657,999
REPRESENTED BY:		
Surplus	11,558,643	2,612,674
Revaluation reserve (Note 12)	(240,211)	(244,675)
Reserve fund (Note 12)	4,170,000	4,170,000
Special purpose reserve (Note 12)	120,000	120,000
	15,608,432	6,657,999

APPROVED AND AUTHORISED FOR ISSUE BY THE MEMBERS OF SECURITIES COMMISSION OF THE BAHAMAS AND SIGNED ON THEIR BEHALF BY:


Chairman


Director

24 June 2025
Date

The accompanying notes are an integral part of these financial statements.

Securities Commission of The Bahamas

Statement of Comprehensive Income For the Year Ended 31 December 2024 (Expressed in Bahamian dollars)

	2024 \$	2023 \$
INCOME		
Fee income		
Securities industry licensees and registrants	5,155,794	5,878,234
Investment funds	2,151,391	2,368,344
Investment fund administrators and managers	1,043,070	1,095,182
Financial and corporate service providers	2,287,836	2,320,298
Digital assets and registered exchanges	290,840	352,066
Penalties	303,534	163,000
Securities exchange	16,875	16,875
Other	12,500	34,375
Total fee income	11,261,840	12,228,374
Government subvention (Note 10)	2,000,000	3,248,488
Interest income	302,457	315,589
Other income (Note 6)	10,907,081	3,218,851
Total income	24,471,378	19,011,302

The accompanying notes are an integral part of these financial statements.

Securities Commission of The Bahamas

Statement of Comprehensive Income For the Year Ended 31 December 2024 (Expressed in Bahamian dollars) (Continued)

	2024 \$	2023 \$
EXPENSES		
Salaries, wages and employee benefits (Note 13)	8,698,510	7,598,832
Rent (Note 5)	843,127	651,256
Depreciation on right-of-use assets (Note 5)	751,763	660,095
Professional fees	1,886,069	1,376,887
Office & Computer Expenses	1,315,970	909,963
Depreciation on property and equipment (Note 8)	143,651	412,737
Training and conferences (Note 14)	888,912	4,303,541
Interest expense on lease liabilities (Note 5)	186,114	148,924
Utilities and property charges	147,978	136,180
Advertising and public relations	75,424	33,577
Repairs and maintenance	86,150	68,647
Membership fees	52,258	47,758
Printing and publications	33,764	42,961
Bank charges	80,559	172,697
Investor education	129,107	117,003
Provision for expected credit losses (Note 6)	13,119	201,741
Licensee liquidation proceedings (Note 6)	184,875	2,368,041
Miscellaneous	8,059	8,419
Total expenses	15,525,409	19,259,259
Net income/(loss)	8,945,969	(247,957)
Other comprehensive income/(loss)		
<i>Items that may be reclassified to net income</i>		
Change in fair value of investments in debt securities at fair value through other comprehensive income	4,464	(61,883)
Total comprehensive income/(loss)	8,950,433	(309,840)

The accompanying notes are an integral part of these financial statements.

Securities Commission of The Bahamas

Statement of Changes in Net Assets For the Year Ended 31 December 2024 (Expressed in Bahamian dollars)

	Surplus \$	Revaluation Reserve \$	Reserve Fund \$	Special Purpose Reserve \$	Total \$
Balance as at 1 January 2023	4,109,119	(182,792)	4,170,000	120,000	8,216,327
Net loss	(247,957)	-	-	-	(247,957)
Other comprehensive loss	-	(61,883)	-	-	(61,883)
Total comprehensive loss	(247,957)	(61,883)	-	-	(309,840)
Transfer to Poinciana SPV Ltd. (Note 11)	(1,248,488)	-	-	-	(1,248,488)
Total transfers	(1,248,488)	-	-	-	(1,248,488)
Balance as at 31 December 2023	2,612,674	(244,675)	4,170,000	120,000	6,657,999
Balance as at 1 January 2024					
Net income	8,945,969	-	-	-	8,945,969
Other comprehensive income	-	4,464	-	-	4,464
Total comprehensive income	8,945,969	4,464	-	-	8,950,433
Transfer to Poinciana SPV Ltd. (Note 11)	-	-	-	-	-
Total transfers	-	-	-	-	-
Balance as at 31 December 2024	11,558,643	(240,211)	4,170,000	120,000	15,608,432

The accompanying notes are an integral part of these financial statements.

Securities Commission of The Bahamas

Statement of Cash Flows For the Year Ended 31 December 2024 (Expressed in Bahamian dollars)

	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss)	8,945,969	(247,957)
Adjustments for:		
Interest income	(302,457)	(315,589)
Depreciation on property and equipment (Note 8)	143,651	412,737
Depreciation on right-of-use assets (Note 5)	751,763	660,095
Interest expense on lease liabilities (Note 5)	186,114	148,924
Changes in operating assets and liabilities:		
(Increase)decrease in accounts receivable, net	(8,832,463)	979,053
(Increase)decrease in prepaid expenses and other assets	(116,718)	712,743
Increase/(decrease) in accounts payable and accrued expenses	557,511	(2,489,390)
Increase/(decrease) in other liabilities	127,327	(20,880)
(Decrease) in deferred income	(2,500)	(1,356,070)
Interest received	302,465	333,858
Lease acquisition and maintenance costs	(392,572)	(320,077)
Net cash provided by/(used in) operating activities	1,368,090	(1,502,553)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of debt securities	-	5,708,600
Gain on redemption of debt securities	-	59,700
Purchase of property and equipment (Note 8)	(47,508)	(185,021)
Software development costs	-	(168,705)
Contribution to Poinciana SPV Ltd	(500,000)	-
Net cash (used in)/provided by investing activities	(547,508)	5,414,574
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid on lease liabilities	(186,114)	(148,924)
Principal paid on lease liabilities	(636,893)	(350,908)
Net cash used in financing activities	(823,007)	(499,832)
Net increase in cash and cash equivalents	(2,425)	3,412,189
Cash and cash equivalents as at beginning of year	6,723,640	3,311,451
Cash and cash equivalents as at end of year	6,721,215	6,723,640
CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents	6,721,215	6,723,640

The accompanying notes are an integral part of these financial statements.

1. General Information

Securities Commission of The Bahamas (the Commission) was established in 1995 and operates as a body corporate, under the Securities Industry Act, 2024 (the Act), of the Commonwealth of The Bahamas (The Bahamas). The Act establishes the structure, governance and funding of the Commission; accordingly, the Commission is not deemed to have a parent. The offices of the Commission are located at Poinciana House, East Bay Street, Nassau, Bahamas.

The functions of the Commission are to monitor and regulate the securities industry in The Bahamas, the participants of which include: entities and individuals dealing in securities, arranging deals in securities, managing securities and advising on securities; investment funds; and investment fund administrators. The Commission regulates the industry in accordance with the Act; the Investments Funds (Amendment) Act, 2020; and the related rules and regulations.

In addition, the Commission has responsibility for regulating financial and corporate service providers in accordance with the Financial and Corporate Service Providers Act, 2020, and related regulations. The Commission also regulates digital asset business in accordance with the Digital Assets and Registered Exchanges Act, 2024. (This act repeals and replace the Digital Assets and Registered Exchanges Act, 2020).

2. Material Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC Interpretations) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in accordance with IFRS requires management to exercise judgment in the process of applying the Commission's accounting policies. It also requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2. Material Accounting Policies (Continued)

(b) Changes in applicable accounting policies

i) New standards, amendments and interpretations adopted by the Commission

Standards and amendments and interpretations of published standards that became effective for the Commission's financial year beginning on 1 January 2024 were either not relevant or not significant to the Commission's operations and accordingly did not have a material impact on the Commission's accounting policies or financial statements.

ii) New standards and amendments not yet adopted by the Commission

Certain new accounting standards, amendments and interpretations to existing accounting standards that have been published but are not mandatory for the year ended 31 December 2024 have not been early adopted by the Commission. These standards, amendments or interpretations are not expected to have a material impact on the Commission in the current or future reporting periods and on foreseeable future transactions.

Amendments to IAS 21 - Lack of Exchangeability

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The amendment will be effective for reporting periods beginning on or after 1 January 2025.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued targeted amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The new amendments will be effective for reporting periods beginning on or after 1 January 2026. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, add new guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows, and update the disclosures for equity instruments designated at fair value through other comprehensive income.

2. Material Accounting Policies (Continued)

(b) Changes in applicable accounting policies

ii) New standards and amendments not adopted by the Commission (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard, IFRS 18 “Presentation and Disclosure in Financial Statements”. The new standard will be effective for reporting periods beginning on or after 1 January 2027. IFRS 18 introduces a defined structure of the income statement, disclosures related to the income statement, and enhanced guidance on the principles of aggregation and disaggregation which focus on grouping items based on their shared characteristics.

(c) Foreign currency translation

The financial statements are presented in Bahamian dollars, which is the Commission’s functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at year-end exchange rates are recognised in the statement of comprehensive income.

(d) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, term deposits with banks and treasury bills with original contractual maturities of three months or less from the date of acquisition.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Classification

The Commission classifies its financial assets, at initial recognition in the following measurement categories: at amortised cost and at fair value through other comprehensive income (FVOCI). The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Commission’s business model for managing them.

2. Material Accounting Policies (Continued)

(e) Financial instruments (continued)

i) Financial assets (continued)

Classification (continued)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Commission’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost

The Commission measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets through FVOCI

The Commission measures financial assets through FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Commission reclassifies financial assets when and only when its business model for managing those assets changes.

2. Material Accounting Policies (Continued)

(e) Financial instruments (continued)

i) Financial assets (continued)

Recognition and Derecognition

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular-way trades) are recognised on the trade date, which is the date that the Commission commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Commission has transferred substantially all risks and rewards of ownership. If the Commission has neither transferred nor retained substantially all the risks and rewards of ownership, an assessment is made whether the Commission has retained control of the financial assets.

Gains or losses arising from sales of financial assets are recognised in the statement of comprehensive income as a part of net income in the financial period in which they arise.

Measurement

At initial recognition, the Commission measures a financial asset at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in net income in the statement of comprehensive income when the asset is derecognised, modified or impaired.

The Commission's financial assets at amortised cost includes 'cash and cash equivalents', 'accounts receivable' and other receivables included in 'prepaid expenses and other assets' in the statement of financial position.

2. Material Accounting Policies (Continued)

(e) Financial instruments (continued)

i) Financial assets (continued)

Measurement (continued)

For financial assets at FVOCI, interest income and impairment losses or reversals are recognised in net income in the statement of comprehensive income. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change previously recognised in OCI is recycled to net income. Interest income from these financial assets is calculated using the effective interest rate method.

The Commission's financial assets at FVOCI includes 'investments in debt securities' in the statement of financial position.

Impairment of financial assets

The Commission recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and accounts receivable. For debt instruments, ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Commission expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in a three-stage model. The ECL model includes the use of forward-looking information and classification of financial assets in three stages as summarized below and further explained in Notes 4, 6 and 17:

- Stage 1 – 12-month ECL: represents the expected credit loss arising from default events possible within 12 months from the reporting date. This is applicable to financial assets that originated or were purchased without credit recovery issues and whose credit risk has not significantly increased since initial recognition;
- Stage 2 – Lifetime ECL: considers all possible default events over the expected life of a financial instrument. A loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of default. This is applicable to financial assets that originated or were purchased without credit recovery issues and whose credit risk has increased significantly since initial recognition; and

2. Material Accounting Policies (Continued)

(e) Financial instruments (continued)

i) Financial assets (continued)

Impairment of financial assets (continued)

- Stage 3 – Lifetime ECL for credit-impaired assets: considers all possible default events over the expected life of a financial instrument. The measurement of assets classified in this stage is different from Stage 2 due to the recognition of interest income by applying the effective interest rate to the amortized cost (net of allowance for ECLs) rather than to the gross carrying amount.

A financial asset will migrate from a stage as its relative credit risk since initial recognition subsequently increases or decreases. Therefore, a financial asset that migrated to stages 2 and 3 may return to stage 1, unless it was originated or purchased with credit recovery issues.

Management determined that a significant increase in credit risk would result from, amongst others, a financial asset's credit rating migrating from investment grade to non-investment grade, and deterioration of credit ratings applicable to non-investment grade financial assets.

For accounts receivable, the Commission applies a simplified approach in calculating ECLs. Therefore, the Commission does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the ECL is recognised in the statement of comprehensive income. If in a subsequent period the amount of the ECL decreases, the previously recognised ECL is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

The Commission writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The write offs represent a derecognition event. The uncollectible financial asset is written off against the related allowance account. Recoveries of accounts previously written off are recognised directly in the statement of comprehensive income.

2. Material Accounting Policies (Continued)

(e) Financial instruments (continued)

ii) Financial liabilities

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Commission's financial liabilities comprise accounts payable and other liabilities.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(f) Property and equipment

Property and equipment are carried at historical cost, less accumulated depreciation and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 – 5 years
Furniture and fittings	3 – 5 years
Vehicles	3 – 5 years
Leasehold improvements	Lesser of lease term and 3 – 5 years

Assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date or when an event has occurred that indicates a need to re-evaluate useful lives.

Assets subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

2. Material Accounting Policies (Continued)

(f) Property and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in the statement of comprehensive income.

(g) Computer software

The Commission amortizes intangible assets with a limited useful life such as computer software, using the straight-line method over a period of 3 to 5 years.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Commission are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(h) Income and expense recognition

Fee income of the Commission is comprised of application fees, registration fees, annual renewal fees, filing fees and other administrative fees charged to its licensees. Revenue is recognised at a point in time upon the completion of the document evaluation process of each of the activities described above. There are no post-performance obligations after the completion of the document evaluation processes to which each fee relates. All licence fees are for fixed amounts.

2. Material Accounting Policies (Continued)

(h) Income and expense recognition (continued)

Appropriations by Parliament (termed Government subvention) received to subsidise operating expenses and specific projects of the Commission, are deferred and recognised as income in the financial period in which any conditions attached to them has been satisfied and by reference to the financial period in which the Commission recognises as expenses the related costs that the Government subvention is intended to compensate. These amounts are presented gross in the statement of comprehensive income.

Government subvention, received to subsidise capital acquisitions, is recorded as deferred income and recognised as income over the useful lives of the applicable assets.

Interest income is recognised using the effective interest method. All other income and expenses are recognised on the accrual basis of accounting.

(i) Employee benefits

The Commission has a defined contribution pension plan for all eligible employees, whereby the Commission makes contributions to a privately administered pension plan. The Commission has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior years. The Commission's contributions to the defined contribution pension plan are recognised in the statement of comprehensive income in the financial period to which they relate.

Salaries, wages and other employee benefits are recognised on the accrual basis of accounting.

(j) Leases

The Commission leases a property for its office use and vehicles for its employee use. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by the Commission.

Assets and liabilities arising from a lease are initially measured on a present value basis.

2. Material Accounting Policies (Continued)

(j) Leases (continued)

Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Refer to Note 3 for how the Commission determines the lease term with extension and termination options.

The lease payments are discounted using the interest rate implicit in the lease. Where that rate is not readily determined, which is the case for the Commission's leases, the Commission's incremental borrowing rate is used, being the rate the Commission would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Refer to Note 3 for how the Commission determines the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the interest expense in the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2. Material Accounting Policies (Continued)

(k) Taxation

The Commission is established under the laws of The Bahamas and therefore is not subject to income, capital gains or other corporate taxes. The Commission's operations do not subject it to taxation in any other jurisdiction.

(l) Corresponding figures

Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting policies.

The information presented below provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of ECL allowance

The measurement of the ECL allowance for financial assets measured at amortised cost and at FVOCI is an area that requires the use of a model and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of licensees defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring the ECLs are further detailed in Note 17.

A number of significant judgements are also required in applying the accounting requirements for measuring the ECLs, such as:

- Determining the criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECLs;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECLs;
- Establishing groups of similar financial assets for the purposes of measuring the ECLs.

3. Critical Accounting Estimates and Assumptions (Continued)

Leases – lease term and incremental borrowing rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Commission cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Commission would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Commission ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Commission estimates the IBR using observable inputs (such as market interest rates or internal) when available and is required to make certain entity-specific adjustments.

Detailed information about the judgements and estimates made by the Commission in the above areas is set out in Notes 5, 6 and 17.

4. Investments in Debt Securities

The Commission ranks its investments in debt securities based on the hierarchy of valuation techniques required by IFRS, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Commission’s market assumptions. The Commission considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The determination of what constitutes ‘observable’ requires significant judgment by the Commission. These two types of inputs lead to the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

4. Investments in Debt Securities (Continued)

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Commission considers relevant and observable market prices in its valuations where possible.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset.

The fair value of financial instruments traded in active markets is based on quoted market prices as of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from the exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

Investments in debt securities are as follows:

	2024 \$	2023 \$
<u>Stage 2 - ECL</u>		
<u>Level 2</u>		
Debt securities at FVOCI	2,759,789	2,755,325
Accrued interest	<u>32,361</u>	<u>32,361</u>
Total investments in debt securities	<u>2,792,150</u>	<u>2,787,686</u>

Securities Commission of The Bahamas

Notes to the Financial Statements
31 December 2024
(Continued)

4. Investments in Debt Securities (Continued)

Bahamas Government Registered Stock

Maturity Date	Interest Rate	2024		2023	
		Nominal Value	Fair Value \$	Nominal Value	Fair Value \$
15-Oct-38	5.00%	1,000,000	923,941	1,000,000	920,639
21-Apr-40	5.30%	425,900	401,761	425,900	400,904
21-Apr-50	5.69%	1,574,100	<u>1,434,087</u>	1,574,100	<u>1,433,782</u>
Total investments in debt securities at FVOCI			<u>2,759,789</u>		<u>2,755,325</u>

5. Leases

The Commission entered into a non-cancellable operating lease agreement for a fixed period of five years with Poinciana SPV Ltd., commencing 1 January 2019, with an option to renew for three years, which was assessed as reasonably certain to be exercised. In 2024 the Commission renewed its office space lease. This resulted in an increase of the lease liabilities and right-of-use assets by \$3,584,225 (2023: \$nil). The Commission also leases vehicles for employee use.

The statement of financial position shows the following amounts:

	2024 \$	2023 \$
Right-of-use assets		
Office space	2,474,808	1,951,058
Vehicles	20,876	45,146
Office equipment	<u>12,422</u>	<u>23,070</u>
	<u>2,508,106</u>	<u>2,019,274</u>

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

5. Leases (Continued)

For the year ended 31 December 2024, there were no direct costs incurred by the Commission upon entering a lease.

	2024	2023
	\$	\$
Lease liabilities		
Current	687,803	754,979
Non-current	2,330,115	1,659,229
	<u>3,017,918</u>	<u>2,414,208</u>

The IBRs applied to the lease liabilities of the office space, office equipment and vehicles are 5.5%, 6.5% and 6.5%, respectively. Common area maintenance and other additional rent charges not included in the measurement of lease liabilities are presented under 'Rent' in the statement of comprehensive income.

The statement of comprehensive income shows the following amounts:

	2024	2023
	\$	\$
Depreciation on right-of-use assets	751,763	660,095
Interest expense on lease liabilities	186,114	148,924
	<u>937,877</u>	<u>809,019</u>

The total cash outflow for leases in 2024 was \$823,007 (2023: \$499,832).

6. Accounts Receivable

	2024	2023
	\$	\$
Investment funds and investment fund administrators	77,522	1,417
Financial and corporate service providers	215,115	180,670
Securities industry licensees and registrants	449,422	492,728
Other	<u>10,271,113</u>	<u>1,492,775</u>
	11,013,172	2,167,590
Allowance for expected credit losses	<u>(407,469)</u>	<u>(394,350)</u>
Total accounts receivable, net	<u>10,605,703</u>	<u>1,773,240</u>

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

6. Accounts Receivable (Continued)

Movements in the allowance for expected credit losses comprise:

	2024 \$	2023 \$
As at 1 January	394,350	192,609
Provision for expected credit losses	13,119	201,741
Bad debts written off	-	-
As at 31 December	407,469	394,350

The allowance for expected credit losses as at 31 December was determined as follows for accounts receivable:

As at 31 December 2024	0 to 90 days \$	91 to 180 days \$	181 to 270 days \$	271 to 360 days \$	Over 360 days \$	Total \$
Gross carrying amount	10,612,827	11,000	6,970	123,795	258,579	11,013,172
Allowance for expected credit losses	72,905	4,011	5,225	104,748	220,580	407,469
As at 31 December 2023	0 to 90 days \$	91 to 180 days \$	181 to 270 days \$	271 to 360 days \$	Over 360 days \$	Total \$
Gross carrying amount	1,364,904	205,735	262,055	129,516	205,380	2,167,590
Allowance for expected credit losses	85,755	27,548	-	107,065	173,982	394,350

On 12 November 2022, the Commission in their capacity as regulator was ordered by the Supreme Court of The Bahamas (SC) to transfer all of the digital assets on the FTX.com platform within the possession, custody and/or under the control of FTX Digital Markets Ltd (FDM), its officers, directors, employees and/or agents, including any digital assets held upon trust by FDM, on the grounds that such action was necessary to protect the interests of clients and creditors of FDM and otherwise in the public interest to do so. The SC further stipulated the Commission shall be regarded as acting as trustee in the administration of these digital trust assets within the meaning of the Trustee Act Ch.176 (The Act) for the benefit of the clients and/or creditors of FDM, pending direction from the SC for the continued safe custody of said assets. As these digital assets are held in trust and are not the assets of the Commission, they were not recorded in the statement of financial position of the Commission in consideration of IFRS and the laws of The Bahamas.

6. Accounts Receivable (Continued)

The Commission received a court order dated 22 January 2024 discharging the Commission as trustee of the digital assets of FDM and authorizing the Commission to transfer the digital assets to the custody and control of FDM, acting by its joint official liquidators (JOLs) or at the direction of its JOLs. As of 22 April 2024, all of the assets were transferred in accordance with the instructions of the JOLs and are now within the remit of the JOLs.

A SC court order received on 22 November 2022, clarified that the Commission was entitled to be indemnified as a trustee under The Act for any actions taken in good faith such as securing the digital assets of FDM in accordance with the court order of the SC. The SC order on 22 November 2022, also clarified that the Commission is to be reimbursed with respect to the expenses, costs and charges reasonably incurred as a result of securing the digital assets of FDM with prior approval by the SC. As of December 31, 2024, the Commission has incurred \$169,205 (2023: \$2,066,677) costs in relation to the actions taken on behalf of the customers and creditors of FDM. As at 31 December 2024 the Commission has been fully reimbursed for costs incurred in its capacity as trustee to secure the digital assets of FDM.

In July 2024, the Commission assessed penalties against FDM for breaches of provisions of the DARE Act and the Financial Transactions Reporting Act, 2018. On 15 August 2024 the Commission sent FDM a letter outlining the penalties which totaled \$221,550,000. The Commission agreed with the JOLs to subordinate its penalties to allow FDM clients to be fully reimbursed. Further, the JOLs agreed to cover administrative and related costs borne by the Commission, including functioning as the court-appointed Trustee for the digital assets for the period November 2022 to April 2024, when the assets were ultimately transferred. Both the penalty subordination and administrative costs agreements were formalised and executed by the Commission and the JOLs. The Commission invoiced the JOLs \$10,000,000 for services rendered, which included actions being taken outside the normal course of a regulatory winding up. As of 31 December 2024, \$10,000,000 was recorded as other income and as a receivable in the statement of financial position in relation to the invoice.

7. Investment in SPV

In September 2017, the Commission agreed to hold 100% of the shares of Poinciana SPV Ltd. (a special purpose vehicle (SPV) incorporated in The Bahamas) on behalf of the Government of The Bahamas (the Government). The Commission's holding of the shares of Poinciana SPV Ltd. is expected to be temporary.

The Commission evaluated if it controls or exerts significant influence over Poinciana SPV Ltd. based on the guidance in IFRS 10 - *Consolidated financial statements* and IAS 28 - *Investments in associates and joint ventures* respectively and concluded that it does not have controlling power or significant influence over Poinciana SPV Ltd. (See Note 13 for further information).

There were no movements in the investment in the SPV in 2024 and 2023.

Poinciana SPV Ltd. owns real estate located on East Bay Street, Nassau, Bahamas which is comprised of land and two Class A office buildings known as the Poinciana House North and South.

The following table summarizes the unaudited financial information of Poinciana SPV Ltd. as at and for the year ended 31 December 2024 and the audited financial information as at and for the year ended 31 December 2023.

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

7. Investment in SPV (Continued)

Summary Statement of Financial Position	2024 \$	2023 \$
Current assets	896,514	4,145,703
Investment property	28,231,967	26,522,186
Total assets	29,128,481	30,667,889
Current liabilities	372,887	610,905
Borrowings	14,906,776	16,614,880
Total liabilities	15,279,663	17,225,785
Share capital	2	2
Contributed capital	15,568,603	15,068,602
Accumulated deficit	(1,719,787)	(1,626,500)
Total equity	13,848,818	13,442,104
Total liabilities and equity	29,128,481	30,667,889
Summary Statement of Comprehensive (Loss)/Income	2024 \$	2023 \$
Total income	2,773,203	2,269,904
Total expenses	(2,890,260)	(2,016,139)
Net comprehensive (loss)/income	(117,057)	253,765

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

8. Property and Equipment

	Computer Equipment \$	Furniture and Fittings \$	Leasehold Improvements \$	Art Work \$	Total \$
For the year ended 31 December 2024					
Cost					
1 January 2024	2,850,086	779,628	57,163	29,178	3,716,055
Additions	33,301	7,227	6,980	-	47,508
Disposals	-	-	-	-	-
31 December 2024	2,883,387	786,855	64,143	29,178	3,763,563
Accumulated depreciation					
1 January 2024	2,643,262	755,839	57,163	-	3,456,264
Depreciation expense	133,661	8,827	1,163	-	143,651
Disposals	-	-	-	-	-
31 December 2024	2,776,923	764,666	58,326	-	3,599,915
Net book value as at 31 December 2024	106,464	22,189	5,817	29,178	163,648
For the year ended 31 December 2023					
Cost					
1 January 2023	2,683,174	761,519	57,163	29,178	3,531,034
Additions	166,912	18,109	-	-	185,021
Disposals	-	-	-	-	-
31 December 2023	2,850,086	779,628	57,163	29,178	3,716,055
Accumulated depreciation					
1 January 2023	2,380,094	617,701	45,732	-	3,043,527
Depreciation expense	263,168	138,138	11,431	-	412,737
Disposals	-	-	-	-	-
31 December 2023	2,643,262	755,839	57,163	-	3,456,264
Net book value as at 31 December 2023	206,824	23,789	-	29,178	259,791

9. Computer Software

Computer software comprises:

	Total
	\$
Cost	
Balance as at 1 January 2024	706,722
Additions	-
Balance as at 31 December 2024	<u>706,722</u>
Accumulated amortization	
Balance as at 1 January 2024	-
Amortisation expense	-
Balance as at 31 December 2024	<u>-</u>
Net book value as at 31 December 2024	<u>706,722</u>
Cost	
Balance as at 1 January 2023	538,017
Additions	168,705
Balance as at 31 December 2023	<u>706,722</u>
Accumulated amortization	
Balance as at 1 January 2023	-
Amortisation expense	-
Balance as at 31 December 2023	<u>-</u>
Net book value as at 31 December 2023	<u>706,722</u>

The Commission continues to progress its data warehouse development project geared towards improving regulatory monitoring and operational efficiencies. Capitalized computer software costs in relation to the development of the data warehouse system were \$nil (2023: \$168,705) during 2024. Additionally, no amortisation expense was recognized during the year (2023: \$nil).

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

10. Deferred Income

	2024 \$	2023 \$
Government subvention	-	-
Securities industry licensee and registrant fees	-	-
Financial and corporate service provider fees	-	2,500
Total deferred income	-	2,500

All deferred income is eligible to be recognised in the following year in the statement of comprehensive income.

Movements in Government subvention comprise:

	2024 \$	2023 \$
As at 1 January	-	4,000,000
Government subvention received	2,000,000	2,000,000
Government subvention utilised – operations	(2,000,000)	(3,248,488)
Government subvention utilised – transfer to Poinciana SPV Ltd	-	(2,751,512)
As at 31 December	-	-

11. Contribution due to Poinciana SPV Ltd

In July 2023, the Ministry of Finance directed the Commission to contribute \$4,000,000 of its unused subvention to Poinciana SPV Ltd. The Commission allocated unused subvention of \$2,751,512 and accumulated surplus of \$1,248,488 to the contribution due. In November 2024, the Commission paid \$500,000 of the \$4,000,000 due to Poinciana.

12. Reserves

Revaluation reserve

The Commission's investments in debt securities are measured at FVOCI, as explained in note 2(e)(i). Changes in fair value of these investments are accumulated within the revaluation reserve within equity. The accumulated changes in fair value are transferred to net income when the investment is derecognised or impaired.

12. Reserves (continued)

Reserve fund

Upon obtaining approval from the Ministry of Finance, the Commission established a reserve fund on 30 April 2018 in accordance with Section 20(2) of the Act. Section 21(1) of the Act enables the Commission to determine the management of the fund. This reserve fund will be used for the Commission's development with the approval of its members. The reserve fund as at 31 December 2024 totaled \$4,170,000 (2023: \$4,170,000).

Special purpose reserve

Section 22(3) of the Act requires that administrative fines levied by the Commission be used for the sole purpose of promoting public understanding of the financial system. Accordingly, the Commission established a special purpose reserve for this purpose. The special purpose reserve as of the year end, net of provision for ECLs is shown below:

	2024	2023
	\$	\$
Balance of the special purpose reserve, gross	120,000	120,000
Provision for ECLs	<u>-</u>	<u>-</u>
Balance of the special purpose reserve, net	<u>120,000</u>	<u>120,000</u>

13. Employee Benefits

Pension costs recognised in the statement of comprehensive income in the current year totaled \$460,254 (2023: \$408,475). The Commission's contributions to the pension plan vest 100% with employees upon completion of 5 years of employment.

During the year, the Commission received reimbursements totaling \$12,137 (2023: \$31,150) representing the unvested portion of pension contributions relating to former employees of the Commission. The unvested contributions were credited to salaries, wages and employee benefits in the statement of comprehensive income.

As of 31 December 2024, the Commission employed 99 (2023: 94) persons.

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

14. Training and Conferences

The Commission has conducted several non-recurring training initiatives, meetings and conferences. These included meetings of committees of the International Organisation of Securities Commissions, the D3 Bahamas Conference and obtaining licenses from University of Cambridge for the University of The Bahamas to conduct Fintech training courses. Expenses incurred by the Commission in relation to these initiatives were \$888,912 (2023: \$4,303,541) as at 31 December 2024.

15. Related Party Balances and Transactions

Related parties comprise: i) Government ministries and departments; ii) Government corporations and agencies; iii) entities controlled by the Government; iv) entities in which the Government has a significant ownership interest; and v) key management personnel, including members of the Commission. Balances and transactions with related parties, not otherwise disclosed in the financial statements, include:

	2024 \$	2023 \$
<i>Assets</i>		
Cash at banks	4,377,954	3,695,062
Accounts receivable	180,906	191,921
Prepaid expenses and other assets	18,145	18,145
Investments in debt securities	2,792,150	2,817,208
Right-of-use assets – SPV	2,867,380	1,951,058
<i>Liabilities</i>		
Accounts payable and accrued expenses	7,506	4,328
Other liabilities - due to the Compliance Commission	132,208	4,881
Lease liabilities – SPV	2,982,305	2,414,208
<i>Income</i>		
Interest income	302,457	375,289
Other income	46,900	92,400
<i>Expenses</i>		
Depreciation on right-of-use assets - SPV	716,845	594,420
Interest expense on lease liabilities - SPV	182,559	143,964
Utilities and property charges	97,118	85,586

Compensation of key management personnel for the year ended 31 December 2024 comprised \$836,077 (2023: \$815,663) for salaries and other short-term benefits and \$221,639 (2023: \$41,075) for pension benefits.

16. Commitments and Contingencies

Other commitments

During 2015, the Commission acted as executing agent on behalf of the Government in relation to a purchase agreement for land and buildings. Initial funding was provided by the Government. During 2016, the Ministry of Finance (the Ministry) decided to acquire that land and buildings through Poinciana SPV Ltd., the special purpose vehicle referred to in Note 7. The Ministry subsequently decided that the Commission would hold the shares of Poinciana SPV Ltd.

Contingencies

The Commission is a defendant in several legal proceedings and would be liable for claims and legal costs in the event of an adverse finding by the courts. However, it is not possible to either predict the decision of the courts or estimate the amount of such awards. Management does not expect that the resolution of these matters will have a material impact on the Commission's financial position and accordingly, no provisions have been made in these financial statements relative to the legal proceedings.

17. Financial Risk Management

The Commission engages in transactions that expose it to credit risk, liquidity risk and interest rate risk in the normal course of business. The Commission's financial performance is affected by its capability to understand and effectively manage these risks.

(a) Credit risk

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Commission's exposure to credit risk is concentrated in its cash at banks, accounts receivable, other receivables included in prepaid expenses and other assets and investments in debt securities. The Commission mitigates the risk associated with cash at banks by placing its deposits with domestic financial institutions in good standing with the Central Bank of The Bahamas, including a related party. The risk associated with accounts receivable is mitigated by the monitoring of payment history before continuing to extend credit to licensees. Transactions in securities are conducted with brokers in good standing with the Commission. The investment in debt securities consists of debt securities issued by the Government which were downgraded to non-investment grade credit ratings in 2022, indicating a significant increase in credit risk. As a result, the investment securities were reclassified from stage 1 to stage 2, where a lifetime expected credit loss is recognised, for the purpose of assessing ECLs.

17. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment

The Commission has assessed the ECL for cash at banks, investments in debt securities and other receivables included in prepaid expenses and other assets. The identified impairment losses based on the credit quality of the counterparties were determined to be immaterial and are not recorded in these financial statements.

Accounts Receivable

The Commission applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable.

To measure the ECLs, accounts receivable has been grouped based on shared credit risk characteristics and the days past due. The Commission has therefore, concluded that the expected loss rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of licensing fees over a period of 36 months before 31 December 2023 (2022: 36 months before 31 December 2022) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Commission has identified the Gross Domestic Product (GDP) of The Bahamas to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor. See Note 6 for the aged analysis of accounts receivable.

(b) Liquidity risk

The objective of liquidity management is to ensure the availability of sufficient funds to honour all of the Commission's financial commitments as they become due.

As of 31 December 2024, all of the Commission's accounts payable and accrued expenses and other liabilities are repaid within one year. The table below analyses financial assets and liabilities, into relevant maturity groupings based on the remaining period to the contractual maturity dates as of the date of the statement of financial position and represents undiscounted cash flows.

Securities Commission of The Bahamas

Notes to the Financial Statements 31 December 2024 (Continued)

17. Financial Risk Management (Continued)

Liquidity risk (continued)

As at 31 December 2024 Period to maturity	Up to 3 months \$	3-6 months \$	6-12 months \$	Over 1 year \$	Total \$
Assets					
Cash and cash equivalents	6,721,215	-	-	-	6,721,215
Accounts receivable	10,612,827	11,000	6,970	382,375	11,013,172
Prepaid expenses and other assets	430,084	-	-	-	430,084
Investments in debt securities	-	-	-	2,759,789	2,759,789
Total financial assets	17,764,126	11,000	6,970	3,142,164	20,924,260
Liabilities					
Accounts payable and accrued liabilities	2,061,641	-	-	-	2,061,641
Lease liabilities	207,577	207,577	416,132	2,534,317	3,365,603
Total financial liabilities	2,269,218	207,577	416,132	2,534,317	5,427,244
Net liquidity gap	15,494,908	(196,577)	(409,162)	607,847	15,497,016
As at 31 December 2023					
Period to maturity	Up to 3 months \$	3-6 months \$	6-12 months \$	Over 1 year \$	Total \$
Assets					
Cash and cash equivalents	6,723,640	-	-	-	6,723,640
Accounts receivable	1,364,904	205,735	391,571	205,380	2,167,590
Prepaid expenses and other assets	313,365	-	-	-	313,365
Investments in debt securities	-	-	-	2,787,686	2,787,686
Total financial assets	8,401,909	205,735	391,571	2,993,066	11,992,281
Liabilities					
Accounts payable and accrued expenses	1,504,130	-	-	-	1,504,130
Lease liabilities	211,376	211,376	422,906	1,741,931	2,587,589
Total financial liabilities	1,715,506	211,376	422,906	1,741,931	4,091,719
Net liquidity gap	6,686,403	(5,641)	(31,335)	1,251,135	7,900,562

The mismatch in financial assets and financial liabilities is effectively managed by the Commission through the availability of subvention that is provided by the Government of The Bahamas and the ability to easily liquidate investments in debt securities to meet funding needs.

17. Financial Risk Management (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the future cash flows or fair values of financial instruments will fluctuate because of changes in market interest rates. The Commission's exposure to cash flow interest rate risk is concentrated in cash at banks, which is not considered significant as amounts earned on these balances are minimal.

The Commission is exposed to fair value interest rate risk on its Bahamas Government Registered Stock (BGRS) investments, which are at fixed interest rates.

18. Fair Value of Financial Instruments

Financial instruments utilised by the Commission include the recorded financial assets and liabilities disclosed in the financial statements. Their estimated fair values approximate their carrying values due to the relatively short-term nature of the instruments or the instruments being carried at fair value.

The fair value hierarchy of financial instruments is principally Level 2.

19. Capital Management

The capital of the Commission is represented by its net assets. The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern in order to support its regulatory powers and associated operations.

20. Subsequent Events

Subsequent to 31 December 2024:

- i) The Commission received subvention of \$2,500,000, to be utilised by the Commission for its general operations and capital expenditure.
- ii) On 25 March 2025, the Commission received \$10,000,000 from the JOLs of FDM for its services rendered while acting as court-appointed trustee of the assets of FDM for the period November 2022 to April 2024.



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IN REPEASE
THE
PEACE



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