



SECURITIES INDUSTRY BILL, 2024 CONSULTATION BRIEFING

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Securities Commission of The Bahamas**

British Colonial Nassau
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Overhaul of the Securities Legislative Regime

The Why

- To update 12-year-old regulatory framework
- To clarify Enforcement powers
- To implement an agile, competitive, user-friendly regulatory regime
- To ensure compliance with IOSCO objectives and principles of securities regulation, FATF 40 recommendations, OECD requirements, IMF standards and other international cooperation obligations and international best practices generally
- To improve Ease of Doing Business

The How

- Engaged Kempenfelt House Consulting Inc. to draft the SIA Bill 2024
- Industry benchmarking
- Industry consultation and feedback
- Field observation

SCB is responsible for the administration of registrants under the Securities Industry Act:

Registered Firms

167

Marketplaces and
Clearing Facilities

3

(AS AT 29 FEBRUARY 2024)



Securities Industry Bill 2024 Consultation Stats

Consultation Period: 29 December 2023 – 1 March 2024

Industry Consultation Distribution

875
UNIQUE EMAILS

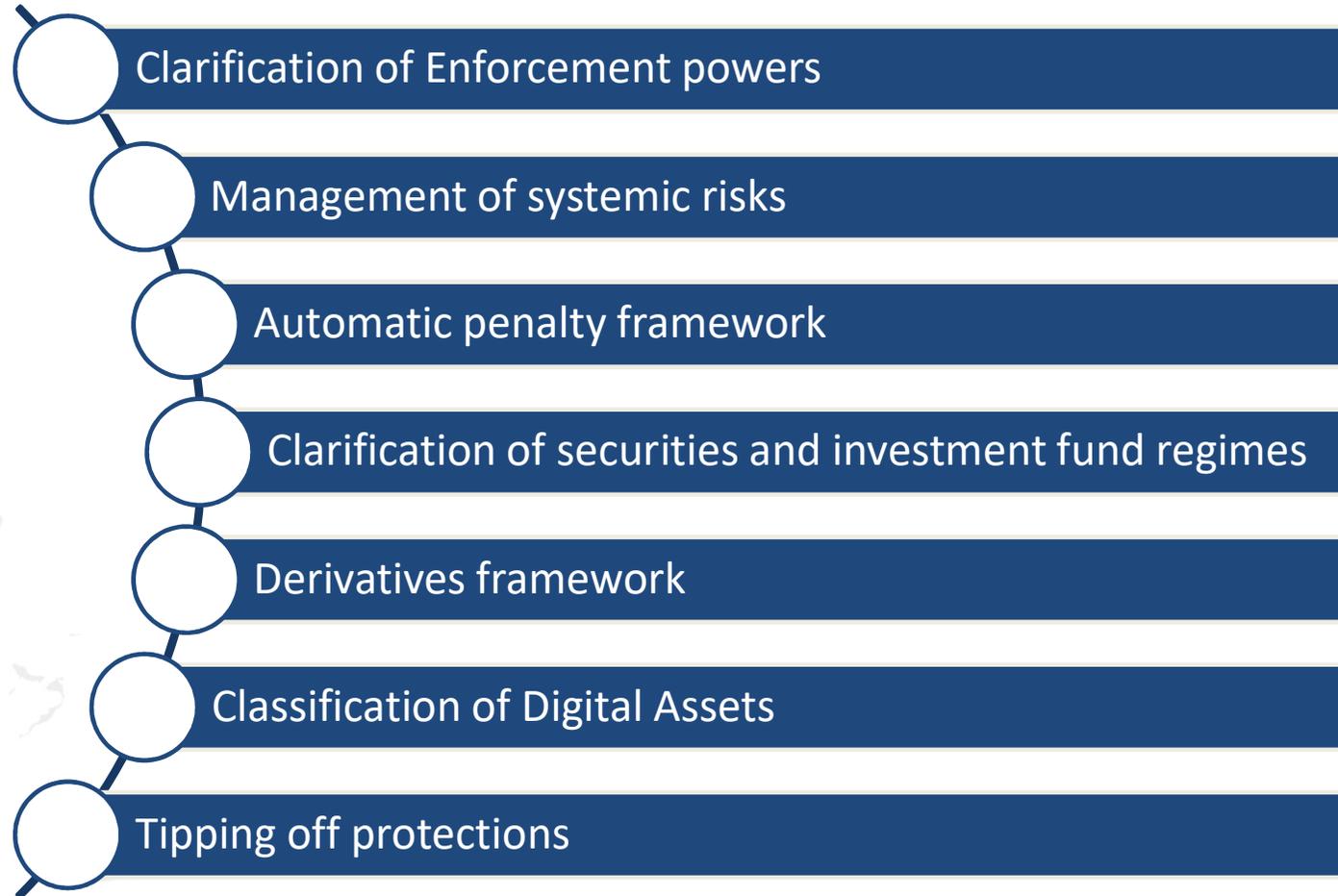
of Comments

89

★ 2012: Last **SIA** update



What We Have Addressed



Clarified Enforcement Powers

Securities Industry Bill, 2024 s132-141



Commission Directives

Express authority to issue directives, sanctions and penalties separate and apart from its examination and investigation authority.



Criminal Actions

Express authority to refer matters to the Commissioner of Police or to the Director of Public Prosecution.



AML/CFT Breaches

Specific enforcement authority related to AML/CFT obligations and deficiencies in the Commission's current enforcement regime addressed.



Administrative Authority

Updated authority to address non-compliance with specific statutory obligations immediately through automatic administrative action without a hearing or disciplinary action process.



Asset Freezing

Updated legislative standards around freezing assets including scope of authority and the duration of freeze orders, court involvement and flexibility to extend, remove or refer matters for continuation in courts etc.

Systemic Risk Management

Securities Industry Bill, 2024 s33A-33D

The Securities Industry Bill 2024 outlines relevant provisions, standards and powers for monitoring, mitigating and managing systemic risk in the capital markets including:

- Requesting information from any person
- Issuing directives for any person to take measures that may be considered necessary
- Providing assistance to obtain any information or document from or enter into cooperation arrangements with other supervisory authorities responsible for promoting financial stability.

systemic risk in the capital market means a situation when one or more of the following events occur or is likely to occur —

- (a) financial distress in a significant market participant or in a number of market participants;*
- (b) an impairment in the orderly functioning of the capital market; or*
- (c) an erosion of public confidence in the integrity of the capital market.*

Derivatives Trading

Securities Industry Bill, 2024 s80A-80D

The Bill provides for a regulatory framework for the supervision of the trading of Derivatives.

- Rules may prescribe classes of derivatives to be:
 - Traded in a marketplace or other approved trading platform
 - Cleared through a central counterparty
 - Subject to suitable margining and other risk management requirements and
- Rules may prescribe Transaction reporting requirements.
- Introduces disclosure requirements for entering a transaction for a prescribed derivative or a prescribed transaction for a derivative.
- The Commission may issue exemption orders.
- Transactions are not void, voidable, unenforceable or rescindable by sole reason of failure to comply with the Act.



Digital Assets

Securities Industry Bill, 2024 S162

The Bill empowers the Commission to declare a digital asset or class of digital assets as securities thereby bringing digital securities within the purview of the SIA.

Once a digital asset is defined/identified as a security it will be subject to and supervised under the provisions of the SIA like any other capital markets instrument.

Tipping Off

Securities Industry Bill, 2024 S 33A-33D

The Securities Industry Bill 2024 includes tipping off provisions for registrants and licensees for the purposes of an investigation or the fulfilment of a request for assistance.

The provisions apply notwithstanding any obligation under any contract, agreement or arrangement.



Thank you!





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