


A stylized map of the Americas in shades of blue. The Bahamas is highlighted in yellow. Numerous white arrows radiate from a point in the Bahamas, pointing towards various locations across North and South America. The top of the image has a pattern of small white dots.

THE Bahamas Advantage↑

Your Wealth and Asset Management
Gateway of The Americas since 1930

Asset Management





The country's mature financial services industry, established infrastructure, progressive government, tax neutral environment and luxury lifestyle all have been cultivated very carefully to satisfy the specific needs of this most exclusive clientele.



Musha Cay, Exumas, The Bahamas





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The Bahamas Advantage

It is not by chance that The Bahamas is the most successful international financial centre in the Caribbean today. More than 80 years of thought, effort and co-operation have produced ideal conditions for High and, indeed, Ultra High Net Worth individuals, families and businesses to manage their wealth efficiently in comfort and style.

The country's mature financial services industry, established infrastructure, progressive government, tax neutral environment and luxury lifestyle all have been cultivated very carefully to satisfy the specific needs of this most exclusive clientele.

The Top 12 advantages of doing business in The Bahamas are as clear as the crystal waters surrounding the 700 islands of the archipelago.

The range of professional investment management services available in The Bahamas is similar to that found in the world's leading financial centres such as New York, London or Hong Kong.





Advantage One Strategic Location

The Bahamas is situated at the Crossroads of the Americas, just 65 miles off the east coast of Florida:

- It is an ideal hub for regional investment and business in the Eastern United States and Canada, and much of Central and South America.
- It is in the same time zone as New York and Toronto, with office hours that align with most of the major business centres in the Americas.
- It offers a favourable location for ownership of intangible assets, and the operation of corporate offices and businesses involved in international trade.

Advantage Two Wealth and Asset Management Options

The Bahamas offers owners of capital a broad choice of financial institutions that deliver myriad services including banking, private banking and trust services, investment fund administration, capital markets, investment advisory services, accounting and legal services, e-commerce, insurance, and corporate and shipping registries:

- The Bahamas is home to over 270 licensed banks and trust companies including seven of the world's top eight private banks and 35 of the top 100 global banks. North American banks have been doing business in The Bahamas for more than a century and European and Swiss banks have deep roots established over more than 70 years.
- Financial institutions from other regions with growing economies are recognising the advantages of operating in The Bahamas and will be an important part of the country's financial services landscape in the years ahead.
- The range of professional investment management services available in The Bahamas is similar to that found in the world's leading financial centres such as New York, London or Hong Kong.
- There are over 120 broker dealers and investment advisory firms that offer investment management services, custodial services, corporate services and registrar and transfer agent services. More than 60 fund administrators provide fund administration, corporate services and registrar and transfer agent services. In excess of 700 Funds are licensed in The Bahamas, with assets under management totaling over \$200 billion.
- The Bahamas' insurance industry is aided by a modern and compliant regulatory environment and market responsive insurance legislation to offer the right ingredients and ideal environment to provide the fundamental benefits of international wealth management; namely asset protection, tax efficiency and investment flexibility.
- The Bahamas is a favourable jurisdiction for the establishment of family offices, which help wealthy families achieve their goals while dealing with increased regulations, and complex issues of taxation, distribution planning and charitable giving.

The top four global accounting firms and eight mid-tier firms all have operations in The Bahamas, and a robust legal community numbers close to 1000 lawyers trained in English common law.

Advantage Three

Physical Resources

The Bahamas has developed its land, premises and fit-for-purpose infrastructure with the singular focus of facilitating international business:

- Modern office facilities are connected globally through three separate, fully redundant, self-healing, fibre optic cable networks, with data protection at the OECD Standard.
- The Bahamas is easy to access, with some 21 international airports and almost 40 other airports situated throughout the archipelago, as well as countless ports of entry and marinas that can accommodate the largest yachts.
- More than 10,000 acres on Grand Bahama have been earmarked for industrial and commercial development.
- The Freeport industrial zone has one of the most efficient and deepest harbours in the region as well as an international airport capable of handling the largest aircraft in service, and an international business and logistics park for value-added and cargo handling activities.

Advantage Four

Human Capital

The Bahamas has a highly educated local workforce and a long tenure in financial services excellence, creating a deep pool of skill and experience that is recognised and trusted worldwide:

- Most students who aspire to careers in wealth management attain their degrees from universities in the United States, Canada and the United Kingdom. Professional development and training remain high priorities for the industry, which confers degrees and certifications locally through its professional associations.
- With an estimated 9000+ experienced financial professionals committed to the local community, clients can expect to build deeper and more lasting relationships and receive more consistent service in The Bahamas than in locations largely dependent upon imported skills.
- The top four global accounting firms and eight mid-tier firms all have operations in The Bahamas, and a robust legal community numbers close to 1000 lawyers trained in English common law.



Advantage Five

Taxation

The Bahamas remains committed to a tax neutral platform upon which international persons receive the same tax benefits as Bahamians. This includes:

- No income, capital gains and inheritance taxes for all who conduct business or reside in The Bahamas.
- A modest business licence tax for companies carrying on business in The Bahamas.
- A 10 per cent Government stamp tax at the purchase of a new home.
- Real property taxes of 1.5 per cent of the property value.
- A modest monthly national insurance payment for employees.

Companies, meanwhile, operate tax-free within the Freeport and Lucaya areas on Grand Bahama Island, under the terms of the Hawksbill Creek Agreement.

The Bahamas adheres to the principle that persons have a right to privacy with respect to the conduct of their affairs. As such, it will share information only on agreed and transparent protocols agreed to under a Tax Information Exchange Agreement (TIEA) reflecting the Organization for Economic Cooperation and Development (OECD) standard for tax information exchange.

Advantage Six

Investment Policy and Incentives

The Bahamas Government is committed to building an economic environment in which free enterprise can flourish:

- The National Investment Policy is designed to support an investment-friendly climate and facilitates Bahamian and overseas investments.
- Investment incentives include exemption from the payment of customs duties on building materials, equipment and approved raw materials, and real property taxes for periods up to 20 years.
- Investors may acquire publicly-owned lands for approved developments on concessionary terms; and also can lease low-cost industrial space.
- The government will provide special training and retraining for Bahamian workers to ensure the continuing availability of a highly-skilled labour force.

The Bahamas adheres to the principle that persons have a right to privacy



Advantage Seven

Political and Economic Stability

The Bahamas has an outstanding record of political and economic stability, progress and stewardship:

- More than 280 years of uninterrupted parliamentary democracy.
- It has been an independent nation since 1973, and retains a Westminster-based system of Government and an English-based legal system.
- Currency on par with US.
- Member of United Nations, Commonwealth of Nations, Organization of American States and Caribbean Community.
- Highest ranking nation for civil liberties & political rights by the World Bank and recognised as a sound environment for foreign direct investment with an Investment Grade Government Debt rating (Standard & Poor's and Moody's).

Advantage Eight

Regulation

The Bahamas encourages the growth of its financial sector through adherence to internationally accepted regulatory principles, and efficiency in their administration:

- Regulatory independence is maintained through the separation of roles of policy makers and regulators.
- Regulation and regulators are subject to independent assessments by the Caribbean Financial Action Task Force, the Caribbean sub-group of the Financial Action Task Force, and the International Monetary Fund.
- The Bahamas also is an active participant in multilateral organisations established to set and monitor standards for regulation and Anti-Money Laundering and Countering of Terrorist Financing (AML/CFT).
- A regulatory consolidation is in progress to increase efficiencies and minimise administrative requirements on the private sector.





Advantage Nine Public-Private Sector Partnership

Government and business interests in The Bahamas act in close partnership to respond to market needs and at the same time adhere to international standards:

- Since 1998, The Bahamas Financial Services Board (BFSB) has promoted a greater awareness of The Bahamas' strengths as an international financial centre.
- With a long history of positive contribution to the financial service industry's development, the country's professional associations also offer the government a window to the industry to better identify and respond to change.

Advantage Ten Permanent Residency Opportunities

The Bahamas has a liberal process for granting Economic Permanent Residency (EPR) that makes it easier for individuals to "follow their money" with respect to where they live and work:

- Persons with permanent residence are for all intents and purposes treated like Bahamians, except for the right to vote.
- Acceleration of the permanent residence application is available for persons who spend a minimum of \$500,000 on a residence. For more substantive investments of \$1.5 million or greater, applications will be reviewed within 21 days.
- Permanent Residence allows the holder to pass freely through Immigration. There is no requirement to be in The Bahamas a minimum or maximum number of days. Spouses and children are endorsed on the permit for a one-time government fee of \$10,000.
- Additional categories include "annual residence" which may be renewed each year, and the "homeowner's resident card" which does not confer permanent residency privileges, but does permit the holder to move freely through Immigration at any port of entry.
- Individuals can also bring in their own personal assistants or household staff subject to the clearance of the Director of Immigration and the issuance of work permits.
- Under new legislation a business license can be secured in 7 days, providing it meets the legal and regulatory requirements.

Advantage Eleven

Work Permits and Immigration

The Bahamas has a flexible immigration policy which encourages companies to develop Bahamian talent but recognises the needs of international firms, individuals and families to recruit additional human resources abroad:

- The country welcomes non-Bahamians with specialised skills and expertise that are not otherwise locally available. Normally, such persons will be involved in business enterprises which create employment opportunities for Bahamians, such as banking, hotels or agribusiness.
- The cost of a Work Permit varies from \$350 for a farm worker to \$12,500 for a senior professional. Work Permits usually are granted for one year in the first instance but occasionally for periods up to three years for senior personnel.
- It is possible to obtain Permanent Residence with the right to work in one's own business.
- A popular investment vehicle is the condotel, a condominium or single family residence that converts into fully-furnished, upscale accommodations, managed by a resort company and rented when not owner occupied.
- Private islands also are available for purchase.
- The Bahamas is a service economy accustomed to providing concierge residential management services for homeowners who are not in residence.
- Direct flights are available to The Bahamas from all major U.S. cities, Canada, the UK, Europe and Panama; and the country has numerous ports of entry and marinas.
- Commercial passengers, private jets and goods shipped from Freeport enjoy pre-clearance to the United States. U.S. pre-clearance for commercial passengers also exists from Nassau.
- The Bahamas has a number of excellent private schools in New Providence and Freeport, several of which have been internationally accredited by ECIS and NAIS, the two bodies that accredit the leading European and North American schools.
- There are two major hospitals in New Providence and one in Grand Bahama, staffed by internationally-trained doctors capable of handling all major procedures. Medical facilities in the United States also are accessible easily from The Bahamas.

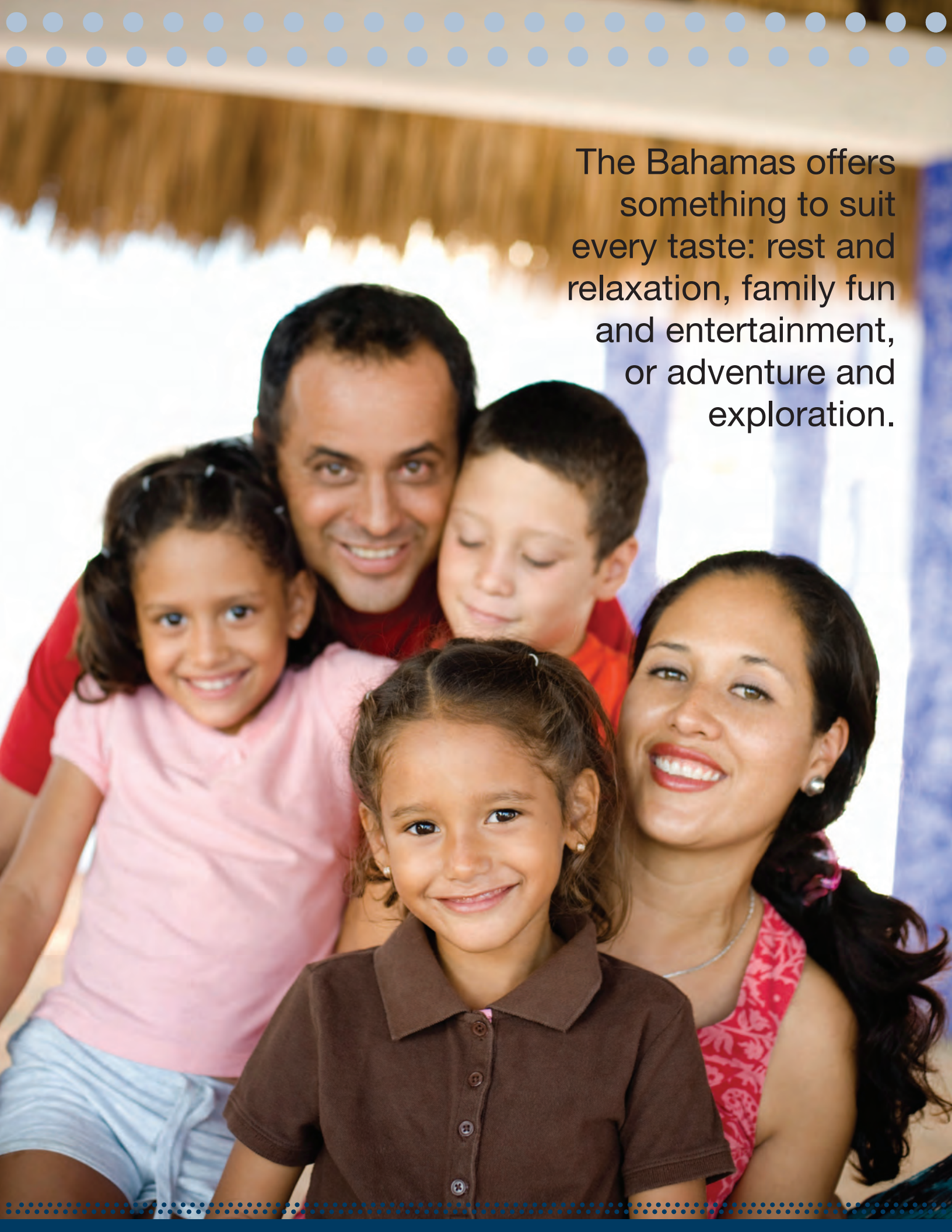
Advantage Twelve

Lifestyle

The Bahamas is located in one of the most idyllic tropical settings in the world and has many attractive features for those who may wish to relocate permanently or establish a second home:

- To meet the diverse and sophisticated tastes of travelers and residents alike, The Bahamas offers something to suit every taste: rest and relaxation, family fun and entertainment, or adventure and exploration. With miles of natural sand beaches, out-door attractions, luxury resorts, golf, casinos, restaurants and shopping, there is no shortage of exciting things to do.
- Gated waterfront communities packed with lifestyle amenities from golf and tennis to spas and marinas are attracting more second and third-home buyers from North and South America, Europe and the Far East.

All of these advantages may be summed up very simply: The Bahamas is committed to growth and to developing its natural resources and cultivated assets to create an environment that supports business and the enjoyment of life in equal measure. Individuals, companies and family offices all will find a warm welcome when they come to The Bahamas.

A photograph of a family of five. A man and a woman are smiling, with three children (two girls and one boy) nestled between them. They are all smiling and looking towards the camera. The background shows a thatched roof and a blue wall. The text is positioned in the upper right corner of the image.

The Bahamas offers
something to suit
every taste: rest and
relaxation, family fun
and entertainment,
or adventure and
exploration.



Making Your Home In The Bahamas

A Convenient And Attractive Choice



The Bahamas provides an excellent offshore business environment for advisors and their clients. Many of these people also have learned that this little slice of paradise a few miles off the U.S. mainland offers many incentives to set up a second home or to relocate permanently, and have chosen to “follow their money” to The Bahamas.

Home Ownership

Second and third home ownership is one of the fastest growing sectors in the real estate industry. The choices are endless, from gated waterfront communities packed with lifestyle amenities from golf and tennis to marinas located in key tourist destinations with shopping and fine restaurants nearby, to grand estates on private islands or hideaways on the Family islands. Many investors “dip a toe” in the second home market by purchasing a condominium or single family residence that is managed by a resort company and rented when not owner occupied.

It is not difficult to purchase real estate in The Bahamas. There are many conveyance attorneys who are skilled in property transactions of all kinds. Concierge residential management services also are abundantly available for homeowners who are not in residence.

Schools and Medical Facilities

The Bahamas has a number of excellent private schools in New Providence and Freeport, several of which have been internationally accredited by ECIS and NAIS, the two bodies that accredit the leading European and North American schools. There are two major hospitals in New Providence and one in Grand Bahama, staffed by internationally-trained doctors capable of handling all major procedures. Medical facilities in the United States are also easily accessible from The Bahamas.

Access to The Bahamas

Direct flights are available to The Bahamas

from most major U.S. cities, Canada, the UK, Europe and Panama; and the country has numerous ports of entry and marinas.

Commercial passengers, private jets and goods shipped from Freeport enjoy pre-clearance to the United States. U.S. pre-clearance for commercial passengers also exists from Nassau.

Living and Working in The Bahamas

The Government of The Bahamas has a liberal process for granting Economic Permanent Residency (EPR) and maintains a flexible immigration policy, both designed to make it easy to live and work in The Bahamas.

The criteria to qualify for Economic Permanent Residence are simple and straightforward. The applicant:

- Cannot have a criminal record;
- Must purchase property valued at more than \$500,000; or
- Own or have a beneficial interest in a business in The Bahamas which is in a growth category and which supports the employment of Bahamians;
- Must demonstrate sufficient resources in cash, investments or salary, to be self-supporting without the need to be employed in The Bahamas;
- Must show that property tax payments are current.

Persons with Permanent Residence and their spouses and children (with the appropriate government permit) have the same rights as Bahamians, except for the

right to vote. They may pass freely through immigration and have the right to stay any length of time.

Permanent residents may bring their own personal assistants or household staff with them to The Bahamas subject to government clearance and the issuance of work permits.

There is another category known as Annual Residence which may be renewed annually, or an individual may apply for a Homeowners Resident Card, which offers no privileges other than to move freely through Immigration at any port of entry.

The Government's stance on immigration is to protect jobs for Bahamians while recognizing the needs of international firms, individuals and families to import talent with specialised skills and expertise which are not locally available locally.

In order for a foreigner to work in The Bahamas, a Work Permit must be obtained, which is only valid for that specific person and position. The cost of a Work Permit varies from \$350 for a farm worker to \$12,500 for a senior professional. Work Permits usually are granted for one year but they may be granted for periods up to three years for senior personnel.

It is possible to obtain Permanent Residency with the right to work; this arrangement usually is suited to the individual with a family office or who wants to manage investments or a business that doesn't interact with the Bahamian economy, and may be of particular interest to those who desire to establish a second home.





Asset Management Services

The Bahamas has a long history of providing investment fund and administration services.

- More than 100 broker dealers and investment advisory firms provide investment management services, custodial services, corporate services and registrar and transfer agent services
- More than 50 fund administrators provide fund administration, corporate services and registrar and transfer agent services
- More than 750 funds are licensed in The Bahamas

Some of the services and structures that are commonly utilised in asset management:

Investment Funds


The Investment Funds Act, 2003 positioned The Bahamas at the cutting edge of modern investment fund administration. The Act recognises four classes of Funds:

- The Standard Fund, which anticipates an offering to the general public, is a highly regulated, modern investment vehicle designed to operate as a traditional collective investment scheme.
- The Professional Fund is a separate class designed for sophisticated investors,

and may be licensed by an authorised administrator (in addition to the Securities Commission) thereby enabling faster time to launch.

- The SMART Fund is a specific mandate alternative regulatory test fund suitable for innovative structuring of investment funds.
- The Recognised Foreign Fund is an investment fund incorporated or established – and in good standing – in a prescribed jurisdiction.

These four classes of Funds, coupled with a progressive approach to regulation and a reputation for quality administration, place The Bahamas at the forefront of the modern Investment Funds industry. As a blue chip, well-regulated and cooperative financial centre, The Bahamas always has been mindful of the needs of the marketplace. The Act retained the ability of local fund administrators with an unrestricted licence (“authorised administrator”) to license professional and SMART investment funds independently of the regulator. This ability to launch new funds based on the due diligence review of the authorised administrator has proven to be a major advantage for The Bahamas.



The Bahamas has achieved a finely tuned regulatory regime that provides confidence in the quality of supervision while ensuring that the demands of the investment community can be met. The Investment Funds Guide provides details on the regulatory and business regime for the funds sector.

Bahamas SMART Fund

The Specific Mandate Alternative Regulatory Test Fund (SMART[®] Fund) was introduced under the Investment Funds Act, 2003 as an additional style of a collective investment vehicle. It was designed to provide industry with a new private wealth management tool with the flexibility to find application within areas not traditionally associated with investment fund administration. The primary facility offered by the SMART Fund concept is an open architecture which allows practitioners to design innovative structures, akin at times to special purpose vehicles, without reference to inflexible regulatory criteria predefined in legislation.

Where Investment Funds essentially are private arrangements, they can now enjoy a supervisory environment appropriate for the limited, specific nature of the project and need not suffer the 'broad brush' regulatory approach. Whereas other jurisdictions only differentiate between public and private funds by criteria such as number of investors or value of minimum investment, applicants for a SMART Fund licence need only demonstrate to the regulator that the structure is an appropriate use of an Investment Fund, and in keeping with the best traditions of Bahamas financial services.

The SMART Fund is an innovative, progressive and flexible product designed to attract new business and re-organise existing business to better suit the needs of clients. It allows industry participants to provide clients with innovative

structuring solutions via a regulated vehicle, domiciled in a premier international financial centre. This Guide provides examples of some existing SMART Fund models and term sheets.

International Business Company (IBC)

An IBC is a limited liability company that has the flexibility to adapt to almost any need. There is no minimum capital required for an IBC, it may have only one director, and it must maintain a registered office in The Bahamas. An IBC is extremely flexible and may be used to set up a private trust company or a family office, or to create an investment fund. The IBC is the basic building block used in The Bahamas to create structures to serve as Investment Funds.

Captive Insurance

The Bahamas has a developed insurance industry with the highest insurance GWP/GDP ratio in the Caribbean and Latin America. It offers the right ingredients and ideal environment to cultivate captive and life insurance businesses with a modern and compliant regulatory environment and market responsive insurance legislation.

A captive insurance company is one that insures the risks of its owners who are not in the business of insurance. There are many benefits of setting up a captive, from reducing premium costs to controlling the investment portfolio to which the excess premiums are applied.

Captives used to be the exclusive domain of multinational companies, but in recent years the range of ownership has expanded to include entities like Medical Captives, in which groups of doctors or medical practices have chosen to manage their own risk rather than pay excessive premiums to third-party insurers.

The Bahamas has been very careful to ensure that its legislative and administrative frameworks are continually refined, facilitating legislation and products to meet emerging market needs.





Legislative Highlights for Asset Management

INVESTMENT TOOLS

Key Highlights of the Professional Fund

Snapshot

A recognized legal structure in The Bahamas that issues or has equity interests the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and achieving profits or gains from the acquisition, holding, management or disposal of investments.



The Balmoral, Nassau, The Bahamas



Equity Interest

- Equity Interest held only by Eligible Investor.
- No Minimum Investment by the Eligible Investor.
- A share, trust unit or partnership interest that carries an entitlement to participate in the profits or gains of the issuer and is redeemable or subject to be repurchased at the option of the Investor.
- Does not include closed-end issuers.
- Closed-end issuers may elect to be licensed as an Investment Fund.

Licenser

A Professional Fund must be licensed by one of:

Unrestricted Fund Administrator: Same day once all documents approved by relevant parties (sponsors, lawyers, administrators) and due diligence is complete

Securities Commission of The Bahamas: Within 72 hours of a complete application and letter from the Bahamas administrator or legal counsel indicating the Investment Fund is in compliance with Bahamian law.

Eligible Investors

- A bank or trust company licensed in The Bahamas or licensed pursuant to the laws of another jurisdiction.
- A securities firm registered in The Bahamas or registered pursuant to the laws of another jurisdiction.
- A Bahamian Investment Fund or investment fund regulated pursuant to the laws of another jurisdiction.
- An insurance company licensed in The Bahamas or pursuant to the laws of another jurisdiction.



- Natural person (jointly w/spouse) with a net worth of \$1,000,000.
- Natural person who had minimum income of \$200,000 for last 2 years (\$300,000 w/spouse) and has reasonable expectation of same for current year.
- A trust with minimum \$5,000,000 in assets.
- An entity owned by any one of the above.
- Any entity with net assets in excess of five million dollars.

Structures

Company (including Segregated Accounts Company), Limited Partnership, Unit Trust.

Requirements

- Bahamian Administrator – delegation to foreign sub-administrator is acceptable.
- Accounts prepared in accordance with International Accepted Accounting Standards (or other recognized GAAP).

Prescribed Disclosure Requirements in the Offering Memorandum. These are in line with best industry practices.

Open Architecture

- No local auditor requirement.
- No local custodian requirement.
- No restrictions on investments or investment style. No restrictions on leverage.
- No direct taxation. Therefore no tax on income, capital gains, dividends earned by the fund or the investor.
- No stamp duty on transactions.
- No public disclosure of Investors or the Accounts.
- No exchange controls.

INVESTMENT TOOLS

Key Highlights of the SMART Fund

Snapshot

A recognized legal structure in The Bahamas that issues or has equity interests the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and achieving profits or gains from the acquisition, holding, management or disposal of investments. This type of fund must satisfy the parameters and requirements of a category, class, type of Investment Fund previously approved by the Securities Commission.

Equity Interest and Investment

Equity Interest held only by Investor. No Minimum Investment by the Investor. A share, trust unit or partnership interest that carries an entitlement to participate in the profits or gains of the issuer and is redeemable or subject to be repurchased at the option of the Investor. Does not include closed-end issuers. Closed-end issuers may elect to be licensed as an Investment Fund.

SMART Fund Models (SFM)s

- **SFM001:** An Investment Fund where the promoter is a financial institution and the investors in the Investment Fund are also customers of the financial institution and party to a Discretionary Management Agreement with the financial institution.
- **SFM002:** An Investment Fund that has no more than ten investors who hold equity interests in the Investment Fund who meet the criteria of an 'Eligible Investor' in a Professional Fund and the majority of whom have the power to appoint and remove the operators of the Investment Fund. The fund may be licensed and launched same day through an Unrestricted Fund Administrator or 72-hour response through the SCB.
- **SFM003:** An Investment Fund that has no more than 15 investors holding equity interest in the Investment Fund, the majority of whom have the power to appoint or remove the operators of the Investment Fund.
- **SFM004:** An Investment Fund with a maximum of 5 investors operating as a private investment company. May be used as a credible, licensed holding vehicle.
- **SFM005:** An Investment Fund with a maximum of 5 investors holding equity interests and operating as a private investment structure for individuals/families. Each investor must be a person to whom a Professional Fund may be offered, permitting same day launch by a unrestricted fund administrator or 72-hour response through the Securities Commission of The Bahamas.
- **SFM006:** A special purpose vehicle designed to hold the illiquid or "hard-to-value" assets of another Bahamas investment fund which offers a significantly lighter administrative and cost effective environment for the assets whilst respecting the ownership rights of the investors and creditors (if any) of the original fund.

Licensors

A SMART Fund must be licensed by one of:

Unrestricted Fund Administrator: Same day once all documents approved by relevant parties (sponsors, lawyers, administrators) and due diligence is complete.

Securities Commission of The Bahamas: SFM002, SFM005 and SFM006 SMART Funds within 72 hours of a complete application and letter from the Bahamas administrator or legal counsel indicating the Investment Fund is in compliance with Bahamian law. SFM001, SFM003 & SFM004 SMART Funds 6 – 8 weeks upon filing of a completed application.

Structures

Company (incl. Segregated Accounts Company), Limited Partnership, Unit Trust.

Requirements

- Bahamian Administrator – delegation to foreign subadministrator is acceptable.
- A SFM005 SMART Fund must appoint an administrator which must be a financial institution
- SFM004 and SFM006 SMART Funds do not require an administrator. The operators may administer the fund but this will not be treated as a self administered fund.
- SFM001 and SFM006 SMART Funds are not required to have financial statements audited but the annual unaudited statements and the semi annual performance statements must be filed with the Securities Commission.
- The financial statements of the SFM002, SFM003, SFM004 & SFM005 SMART Funds shall be audited annually unless unanimously waived by the holders of equity interests in the SFM002, SFM003, SFM004 & SFM005 SMART Funds and where there is such waiver a performance report shall be filed with the Securities Commission within six months of the waiver and every six months thereafter as long as the waiver exists.

A term sheet is not required for a SFM001, SFM004 or SFM005 SMART Fund, however if a term sheet is prepared it must contain prescribed disclosure requirements. A term sheet is required for a SFM002, SFM003 or SFM006 SMART Fund and must contain the prescribed disclosure requirements.

Key Highlights of the Standard Fund

Snapshot

A recognized legal structure in The Bahamas that issues or has equity interests the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and achieving profits or gains from the acquisition, holding, management or disposal of investments. This type of fund does

not fit the definition of a Professional Fund, a SMART Fund or a Recognized Foreign Fund.

Equity Interest

- Equity Interest held only by Investor.
- No Minimum Investment by the Investor.
- A share, trust unit or partnership interest that carries an entitlement to participate in the profits or gains of the issuer and is redeemable or subject to be repurchased at the option of the Investor.
- Does not include closed-end issuers.
- Closed-end issuers may elect to be licensed as an Investment Fund.

Licenser

A Standard Fund must be licensed by the Securities Commission of The Bahamas. The Licensing process should take 6- 8 weeks after submitting a completed application.

Structures

Company (incl. Segregated Accounts Company), Limited Partnership, Unit Trust.

Requirements

- Bahamian Administrator – delegation to foreign sub-administrator is acceptable.
- Accounts prepared in accordance with International Accepted Accounting Standards (or other recognized GAAP).

Prescribed Disclosure Requirements in the Offering Memorandum. These are in line with best industry practices.

Open Architecture

- No local auditor requirement.
- No local custodian requirement.
- No restrictions on investments or investment style.
- No restrictions on leverage.
- No direct taxation. Therefore no tax on income, capital gains, dividends earned by the fund or the investor.
- No stamp duty on transactions.
- No public disclosure of Investors or the Accounts.
- No exchange controls.

A Focus On The Bahamas Recognised Foreign Fund

Snapshot

A recognized legal structure in The Bahamas that issues or has equity interests the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and achieving profits or gains from the acquisition, holding, management or disposal of investments.

Where: -

(a) the equity interests are listed on a securities exchange (including an over-the-counter market) prescribed by the Securities Commission by notice in the Gazette and the fund is not licensed in The Bahamas;

(b) it is licensed or registered in a jurisdiction prescribed by the Securities Commission by notice in the Gazette and not suspended from operation; or

(c) it is incorporated or established and is in good standing in a jurisdiction prescribed by the Securities Commission by notice in the Gazette.

Licenser

No licensing requirements. The Investment Fund is to be registered in The Bahamas with the Securities Commission upon filing the required application with prescribed the documents.

Structures

Company (incl. Segregated Accounts Company), Limited Partnership, Unit Trust.

Key Highlights of The Securities Industry Act, 2011

Overview

The Securities Industry Act 2011 (the “Act”) modernizes and updates the law governing the regulation of securities in The Bahamas, enhance the powers of the Securities Commission (the “Commission”) and promotes confidence and efficiency in the capital markets of The Bahamas, making them a more attractive prospect to domestic and foreign investors alike.

HIGHLIGHTS

Part I – Definitions

Most notably, the First Schedule of the Act is dedicated to defining securities and the activities giving rise to the obligation to register in specified categories. Part 1 of the First Schedule sets out the definition of “securities”. Part 2 of the First Schedule sets out four types of activities which would constitute “securities business” and includes i) dealings in securities; ii) arranging deals in securities; iii) managing securities; and iv) advising on securities. Part 3 of the First Schedule exempts a number of activities from registration, e.g. trading for one’s own account and Part 4 lists exempt persons, e.g. receivers, executors or lawyers where such activities are incidental to their profession.

Part II – Securities Commission

The Act provides for more comprehensive powers along with greater clarity, independence and accountability as discussed in more detail below.

Part III – Assistance to Domestic & Foreign Regulatory Authorities

The Act allows for the Commission to provide any information already on file and to obtain information from anyone in the jurisdiction in response to a request from an overseas regulatory body. Said information may also be passed on to another person in the overseas authority’s jurisdiction if certain preconditions are met. The powers of the Commission to require a person to provide information are written to overrule the provisions of any other law regarding secrecy and recognize a person’s right not to have compelled statements used against them in criminal matters or the right to claim legal privilege on the appropriate documents.

Part IV – Investigations & Inspections

The Act allows the Commission to investigate a regulated person or firm to determine whether the person or firm has contravened, is contravening or is about to contravene any provision of Bahamian securities laws. An investigation may also be initiated for the administration of Bahamian securities laws or to assist in the administration of securities laws of another jurisdiction.

The Commission is not required to give notice of these inspections nor does the Commission have to suspect a breach of the Act, however, the regulated person or firm bears the expense of said inspection.

Part VI – Registration of Persons Carrying on a Securities Business

As previously mentioned, Registered Firms are required to be licensed to undertake specific types of securities business. Registered Firms may carry on one or more categories described in Part 2 of the First Schedule of the Act, including i) dealings in securities; ii) arranging deals in securities; iii) managing securities; and iv) advising on securities.

Any person carrying on securities business must be registered with the Commission. Furthermore, under the Act, an individual may only be registered to carry on a securities activity for which the firm is authorized to undertake. Persons must be registered as a Trading Representative, Discretionary Management Representative or an Advising Representative. Each Registered Firm must also register a Compliance Officer and a Chief Executive Officer.

Part IX – Distributions & Prospectuses

The Act requires an issuer to submit both a Preliminary Prospectus and a Prospectus to the Commission for consideration in connection with the distribution of a security, i.e. a trade in a security of an issuer not previously issued; a trade in a previously issued security of that issuer that has been redeemed, purchased or donated to that issuer; a trade in a previously issued security of an issuer by a control block holder; or a trade within a prescribed class of trades.

Upon issuance of a receipt for the Preliminary Prospectus, the issuer may distribute and solicit the Preliminary Prospectus, however, not until a receipt has been issued for the Prospectus may a binding agreement be entered into with prospective purchasers for the purchase of the security.

There are several exemptions in the Act which do not require the submission of both a Preliminary Prospectus and a Prospectus; these include the distributions of: securities issued by the Government of The Bahamas, securities issued by a private company, securities of an investment fund registered under the Investment Fund Act 2003 or exempt from registering under that Act, an issuer of its own securities that are distributed to holders

of its securities as a dividend and offerings by approved foreign issuers.

A distribution of securities issued or to be issued by an issuer under the laws of The Bahamas that is made outside The Bahamas shall be made in accordance with the laws of the country in which the distribution is made.

Part X – Continuing Obligations of Public Issuers

The Act ensures that public issuers inform the public of any material changes, filing annual and interim financial statements, annual reports and on proxy solicitation. It also introduces the requirement that public issuers send financial statements and annual reports to their security holders.

Furthermore, the Act confirms that the definition of public issuers does not include investment funds.

Part XII – Take-Over Bids

A long-standing gap in the securities industry's laws has been the lack of legislative control over take-over bids. It is intended that Regulations will set out a framework of controls and guidelines for the industry, including a road-map for the conduct of take-over bids to ensure all security holders are treated in a fair and equitable manner upon change of control.

Physical Presence

While firms which are registered to deal in and/or arrange securities must have a physical presence, a CEO registered in The Bahamas, and a resident director, firms only advising in and/or managing securities may achieve physical presence by appointing a managing representative in The Bahamas.

Fees

Table of Fees for Persons registered under Part VI (Firms)

Category of Registration	FEE TYPE		
	Application Fee	Registration Fee	Annual Renewal Fee
(a) Dealing in securities	\$700.00	\$7,000.00	\$8,000.00
(b) Managing securities	\$700.00	\$6,000.00	\$7,000.00
(c) Advising on securities	\$700.00	\$4,000.00	\$5,000.00
(d) Arranging deals in securities	\$700.00	\$3,000.00	\$4,000.00
(e) Persons seeking to register for more than one category under (a)-(d) above	\$700.00 per category	Full fee for function with the highest fee and \$2,000.00 for each additional category	Full fee for function with the highest fee and \$3,000.00 for each additional category

Table of Fees for Persons registered under Part VI (Individuals)

Category of Registration	Application Fee
(a) Chief Executive Officer	\$250.00
(b) Compliance Officer	\$250.00
(c) Representative - Dealing/Trading	\$200.00
(d) Representative - Discretionary Management	\$200.00
(e) Representative - Advising Only	\$200.00

Overview of The Bahamas Investment Fund Framework

FUND CATEGORIES

Professional Fund:

See *"A Focus on The Bahamas Professional Fund"*.

Specific Mandate Alternative Regulatory Test ("SMART") Fund:

An Investment Fund that satisfies the parameters and requirements of a category, class or type of Investment Fund previously approved by the Securities Commission.

SMART Fund #1: Is an Investment Fund limited to the discretionary managed clients of Bahamian regulated financial institutions or financial institutions licensed in approved jurisdictions. This could be used to provide an investment vehicle for client funds managed under a discretionary management service.

SMART Fund #2: Is an Investment Fund with a maximum of 10 sophisticated / accredited investors. This could be used to provide an incubator structure to generate performance history prior to upgrading the license in anticipation of a public offering.

SMART Fund #3: Is an Investment Fund that has no more than 15 investors holding equity interest in the Investment Fund, the majority of whom have the power to appoint or remove the operators of the Investment Fund.

SMART Fund #4: Is an Investment Fund with a maximum of 5 investors. This could be used as a credible, licensed holding vehicle for a small group of related persons, perhaps under a Family Office structure.

SMART Fund #5: Is an Investment Fund with a maximum of 5 investors holding equity interests and operating as a private investment structure for individuals/families. Each investor must be a person to whom a Professional Fund may be offered.

SMART Fund #6: A special purpose vehicle designed to hold the illiquid or "hard-to-value" assets of another Bahamas investment fund which offers a significantly lighter administrative and cost-effective environment for the assets whilst respecting the ownership rights of the investors and creditors (if any) of the original fund.

Recognised Foreign Fund: An Investment Fund, which is not licensed but rather registered in The Bahamas, whose equity Interests are listed on a prescribed securities exchange or an Investment Fund established or incorporated in a prescribed jurisdiction and in good standing.

Standard Fund: Any Investment Fund not meeting the criteria of a Professional or SMART Fund.

Licensor

An Investment Fund with sophisticated ('eligible') investors only may be licensed either by an Unrestricted Fund Administrator or the Securities Commission of The Bahamas ("SCB"). A Standard Investment Fund must be licensed by the SCB.

Unrestricted Fund Administrator: Same day once all documents approved by relevant parties (sponsors, lawyers, administrators) and due diligence is complete.

Securities Commission of The Bahamas: Where the Investment Fund is limited to eligible investors, SCB will license within 72 hours. Where the Investment Fund is of a retail nature, SCB will license within 6 – 8 weeks.

Key Requirements

- Annual Audit (foreign auditors acceptable, as approved by the Securities Commission). This is not a requirement in the SFM 001 or SFM 006 SMART Funds. Investors may waive the requirement for SFM 002, 003, 004, & 005 SMART Funds.
- Administrators licensed in The Bahamas (except for self-administered Investment Funds). This is not a requirement in the SFM 004 or SFM 006 SMART Funds.
- Foreign Custodians are permitted, if assets are of the type that requires safekeeping.
- Offering Document and Constitutive Documents require certification by either Administrator or Bahamian Attorney that they are in compliance with Bahamian law. This is not a requirement in the SFM 001, 002, and 003 SMART Funds.
- Term Sheet is required for SFM 002, SFM 003 and SFM 006 SMART funds, and must contain the prescribed disclosure requirements; a term sheet is not required for the SFM 001, SFM 004 or SFM 005 SMART funds; however, if a term sheet is prepared, it must contain prescribed disclosure requirements.
- Ongoing filing obligation with the Securities Commission.

INSURANCE
Captive Insurance Licensing
Requirements

Summary

The establishment, licensing and business operation of captive insurance companies in The Bahamas are governed by the External Insurance Act, 2009 and the External Insurance Regulations, 2010.

Principal features of the external Insurance regulatory requirements are:

- Captives must be registered as External Insurers under the Act – registration renewable annually
- Company name subject to approval of the Commission
- Minimum of two directors

- Captives must appoint an insurance manager
- Annual audit of all captives to be submitted to the Commission
- Actuarial valuation of life insurers at least every 3 years
- Every insurer must appoint and appoint a Resident Representative in the Bahamas. This person must be able to represent the insurer
- Financial statements must be submitted to the Commission 4 months after the fiscal year end.

Capital, Solvency And Fees

A Restricted External Insurers’ Licence (single parent captive) may be issued where that company has capital as approved by the Commission. The Commission applies the minimums applicable to Unrestricted Insurers.

- I. Insurers carrying on long-term insurance business US\$200,000
- II. Insurers carrying on general insurance business US\$100,000
- III. Insurers carrying on both long-term and general insurance \$300,000.

Note: There may be additional regulatory capital requirements depending on the business plan submitted.

Insurers must maintain a positive net worth (assets in excess of liabilities). General insurers are required to maintain a net worth based on its net premium income as follows:

NET PREMIUM INCOME	MINIMUM NET WORTH
Up to US\$5,000,000	20% of net premium income
Over US\$5,000,000	US\$1,000,000 plus 10% of net premium in excess of US\$10,000,000 in the preceding year

Fees

Fees are payable to The Insurance Commission of The Bahamas as follows:

- Application fee (non-refundable) US\$100
- Annual registration fee (including

Registrar General Department fees):

Restricted Insurer (Captive)	US\$2,500
External Insurance Manager	US\$1,000
Unrestricted Insurer	US\$3,500
External Insurance Broker	US\$1,000

Application

Applicants should allow approximately 30 days for a restricted (Captive) licenses or 60 days for unrestricted licenses after a complete application package (including business plan and projections) has been received by The Insurance Commission of The Bahamas.

For complete details of application requirements visit The Insurance Commission of The Bahamas webpage: www.icb.gov.bs

CORPORATE STRUCTURES

Key Highlights of the Exempted Limited Partnership

Under the Exempted Limited Partnership Act, 1995 ("the Act"), an exempted limited partnership ("LP") may be formed for any lawful purpose to be carried out and undertaken either in or from within The Bahamas or elsewhere provided that it "shall not undertake business with the public in The Bahamas other than so far as may be necessary for the carrying on of the business of that exempted Limited Partnership exterior to The Bahamas".

The LP shall consist of one or more General Partners and one or more Limited Partners, each of which may be a body corporate.

General Partners

In general, the General Partners run the business and have unlimited liability. In this regard:

- (i) A General Partner shall enter into all letters, contracts, deeds, instruments and documents on behalf of the LP
 - (ii) In the event that the assets of the LP are inadequate, the General Partner shall be liable for all debts and obligations of the LP.
 - (iii) Any property of an LP conveyed to a General Partner of in the name of the LP shall be deemed to be held by the General Partner upon trust as an asset of the LP pursuant to the terms of the partnership agreement
 - (iv) Any debt/obligation incurred by a General Partner in the conduct of business of an LP shall be a debt/obligation of the LP
 - (vi) A General Partner may also take an interest in an LP as a Limited Partner.
 - (vii) A General Partner is not required to have a trust license under the Banks & Trust Companies Regulation Act
- At least one General Partner shall:
- (i) if an individual, be resident in The Bahamas; or
 - (ii) if a company, be incorporated under the International Business Companies Act, or incorporated or registered under the Companies Act.

Limited Partners

In general, the Limited Partners do not run the business, and have limited liability. In this regard:

- (i) A Limited Partner shall not take part in the conduct of the business of an LP. A Limited Partner does not take part in the conduct of the business of the LP by doing one or more of the following:
 - (a) being a contractor/agent/employee of the LP/ a General Partner or acting as a director/officer/shareholder of a corporate general partner;
 - (b) consulting with/advising a General Partner with respect to the business of an LP;
 - (c) investigating/reviewing/approving or being advised as to the accounts/business affairs of the LP or exercising any right conferred by the Act;
 - (d) acting as surety/guarantor for the LP;
 - (e) approving/disapproving an amendment to the partnership agreement;
 - (f) voting as a limited partner in respect of:
 - the dissolution/winding up of the LP;
 - the purchase, sale, exchange, lease, mortgage, pledge or other acquisition or transfer of any asset by or of the LP;
 - incurring/renewal of indebtedness of the LP;

- change in the nature of the business of the LP;
- the admission, removal, withdrawal of a General Partner or a Limited Partner and the continuation of business of the LP thereafter;
- transactions where one or more of the General Partners have a conflict of interest (actual/potential) with 1 or more of the Limited Partners;

(ii) A Limited Partner shall have the benefit of limited liability from the date of the Certificate of Registration issued by the Registrar.

(iii) A Limited Partner shall not be liable for the debts or obligations of the LP save as provided for in (i) the partnership agreement and (ii) sections 7(2) and 14(2) of the Act.

Section 7(2) of the Act provides that if the Limited Partner takes part in the conduct of the business of the LP with a non-partner, in the event of the insolvency of the LP he shall be liable to a non-partner for all debts and obligations of the LP incurred during that period (as if he were a general partner) if such person (i) had actual knowledge of such participation and (ii) reasonably believed such Limited Partner to be a General Partner.

Section 14(2) of the Act provides that where the Limited Partner receives a payment representing a return of any part of his contribution and at the time of and immediately following such payment the LP is not solvent, then in the event of the insolvency of the LP within six months of the payment, the payment is repayable by the Limited Partner to the extent that such contribution or part thereof is necessary to discharge a debt or obligation of the LP incurred during the period that the contribution represented an asset of the LP.

A LP has the following exemptions for fifty years from the date of its Certificate of Registration:

- (i) Shall not be subject to any business license fee, income tax, capital gains tax or any other tax on income or distributions accruing to or derived from the LP.
- (ii) Shall be exempt from the provision of the Exchange Control Regulations.
- (iii) No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by a partner/his executors/administrators with respect to any interest in an LP.
- (iv) Shall be exempt from the payment of stamp duty.

Registration Formalities & Fees

An LP:

- (i) shall have a name, which includes the words "Limited Partnership", or the letters "L.P".
- (ii) shall have a registered office in The Bahamas for service of process and to which all notices and communications may be addressed.
- (iii) shall on or before 31st January in every year, pay an annual fee (\$475.00) and file with the Registrar a Return signed by or on behalf of a General Partner certifying that the LP has during the prior calendar year complied with the Act.

The registration of an LP is effected by the payment of the registration fee (\$850.00) and by filing a Statement with the Registrar. The partnership agreement does not have to be filed.

Key Highlights of the International Business Company

The International Business Company ("IBC") Act provides a modern simple and cost effective corporate vehicle designed to suit in most flexible terms the needs of international business persons. The IBC, although incorporated and domiciled in The Bahamas, is designed to facilitate the undertaking of legitimate business anywhere in the world whether in its role as a holding company, trading company, a private investment vehicle, insurance company for non-domestic business, or other uses, including its ability to form part of a more sophisticated structure involving a combination of trust, foundation or other specialized corporate elements.

Of particular importance, The IBC operates in a responsible environment for both due diligence and corporate governance requirements. As a part of the global effort to combat money laundering and all other illegal activities, a Bahamian IBC must have a Registered Agent which is a licensed entity under the Banks and Trust Companies Regulations Act or the Financial and Corporate Service Providers Act. Such Agents are under regulatory control of The Bahamas which requires that full compliance is maintained with established Know Your Customer standards. This information, although mandatory, is kept in confidential files of the Registered Agent. Further, every IBC is required to maintain a registered office in The Bahamas. The Directors may decide where the corporate records of the company are to be maintained and what they should consist of but copies of the Articles and Memorandum of

Association, the Register of Directors and Officers and the Share Register must be kept at the Registered Office. A copy of the Register of Directors and Officers must be filed with the Registrar General's

office. There is no public filing of the Register of shareholders. Other key highlights of the IBC are provided below:

Company Law	International Business Companies Act, 2000 with amendments.		
Corporate Legislation Source	English Law		
Types of Company	• A company limited by shares and/or guarantee • An unlimited company • A limited duration company • A segregated accounts company (protected cell in some other jurisdictions).		
Classes of Shares	In addition to being designated as issued "without par value", shares may have rights attached as voting, non-voting, preferred, redeemable, redeemable preference shares or shares entitled to participation only in certain assets of the company, and may include options, warrants or instruments of a certain nature.		
Currency for Authorized Share Capital	Any	Minimum Number of Directors	1
Minimum Share Capital	None Required	Corporate Directors Permitted	Yes
Standard Share Capital	US\$5,000	Corporate Secretary	Yes
Shares of No Par Value	Yes	Audit Required by Law	No
Minimum Number of Shareholders	1	Statutory Filing of Accounts	No
Bearer Shares	No	Filing of Annual Return	No
Stamp Duty	None	Certificates of Good Standing Available	Yes
Usual Incorporation Time	2-3 Days	Ready Made Companies Available	Yes
Liquidation Procedure	Easy	Dissolution Procedure Available	Yes
Due Diligence	Yes		
Meetings	Annual General meetings ("AGMs") are not required. AGMs may be held anywhere inside or outside of The Bahamas and can take place by telephone. Directors meetings are discretionary. Directors entitled to vote on resolutions at a duly constituted meeting need not formally attend but may pass such resolutions by unanimous written consent signed by all of the directors (provided that there is no restriction thereon in the Articles). Directors may attend meetings by telephone or video conference.		
Company Name	May end in Ltd., Corp., GmbH, Inc. or S.A. either in abbreviated form or in full.		
Reservation of Company Names	Yes (may be reserved free of charge for 90 days).		
Government Fees	Registration fee for registration of original Memorandum and Articles of Association with the Registrar of Companies – US\$330.		
Government Fees - Annual	IBC with authorized share capital of US\$0 to US\$50,000 - US\$350; IBC with authorized share capital of US\$50,001 & above - US\$1,000		
Details held on public record	• Name of company • Date of incorporation • Memorandum and Articles of Association • Registered office and agent address • Directors and Officers • Authorized share capital and number of shares • Registered number • Register of Charges (optional at election of company).		
Taxation	An IBC and its shareholders are not subject to any income tax, corporate tax, business license fees or stamp duty on transactions concerning an IBC, except that stamp duty is payable in relation to real property situate in The Bahamas which it owns, or is owned by any company in which it holds shares or for which it hold a lease. Statutory exemption valid for 20 years from date of incorporation.		
Redomiciliation	By way of continuation in and outside the jurisdiction in accordance with the laws of The Bahamas and the laws of the jurisdiction from or to which the IBC is being continued.		
Liquidation/Dissolution Procedures	Voluntary and Court supervised procedures available.		
Exchange Control	No - unless an IBC does business with a person resident in The Bahamas or where a person who is deemed to be a resident of The Bahamas for exchange control purposes desires to purchase shares, debts or securities in the IBC.		

Key Highlights of the Segregated Accounts Company

Snapshot

A SAC is a company which is registered under the Segregated Accounts Companies Act 2004. The SAC may create separate accounts with assets and liabilities which are segregated from the assets and liabilities attributable to every other account and also from the company's general assets and liabilities.

- A segregated account is not a legal person distinct from the SAC.
- A SAC must inform any person with whom it deals that it is a SAC.
- A SAC must identify the segregated account which is connected to a particular transaction.
- All assets linked by a SAC to a segregated account shall be held by the company as a separate fund which will not be part of the general account of the company but held exclusively for the benefit of the account owners of the particular segregated

account. Those assets will be available to meet the rights of the account holders and satisfy the liabilities connected to the particular segregated account.

- The SAC will record what assets are in its general account and such assets shall be the only assets of a SAC available to meet the general liabilities of the SAC. Assets in the general account will not be available to satisfy liability which is linked to a segregated account.
- The rights and obligations of account owners in a segregated account are contained in a governing instrument. The governing instrument may provide for conditions which must be complied with in order for a person to become a segregated account holder. The governing instrument may also provide for management of the segregated account, appointments of one or more managers, and the orderly winding up of the affairs and termination of the segregated account.
- The governing instrument must be governed by the laws of The Bahamas and the parties to it must submit to the jurisdiction of the courts of The Bahamas.
- The rights and obligations of counterparties dealing with the SAC are evidenced in the form of contracts.

Structures

A company registered as a SAC must be governed by the Companies Act or the International Business Companies Act and that company (i) must be engaged in the business of either (a) investment funds (b) issuing securities or (c) insurance, or (ii) is a subsidiary of a Bank or Trust Company (and not licensed by the Central Bank), or (iii) is engaged in a business where the Minister responsible

for Companies has prescribed a primary regulator. No company licensed under the Banks and Trust Companies Regulation Act may register as a SAC.

Registration

A SAC must file a request with the Registrar to be registered as a SAC containing the prescribed information and accompanied by the consent of the primary regulator of the relevant business. Where the company has conducted business prior to the application for registration a statutory declaration containing prescribed information must also be filed with the primary regulator along with evidence of the consent of 75% of the intended account holders and 75% of the would be creditors of the SAC. The Registrar will issue a certificate of registration on completion of registration.

Requirements

- A SAC Representative who monitors and reports on the activity of the SAC may be required where the primary regulator is especially prescribed by the Minister responsible for companies.
- A SAC must maintain a private register of account owners.
- A SAC must file an annual declaration stating that the company is in compliance with the Segregated Accounts Companies Act.
- A SAC must maintain records in accordance with generally accepted accounting principles. Records must be made available at least once a year to each account owner, unless waived by the account owner.
- A SAC must pay prescribed fees based on the number of accounts.

We offer a financial services platform that serves the needs of private and corporate entities, and that fully supports the success of The Bahamas with the success of those we serve.





Call The Bahamas Financial Services Board to learn more about
The Bahamas Advantage (242) 326.7001 or email info@bfsb-bahamas.com. Web www.bfsb-bahamas.com