

# Securities - Registration and Licensing Process

## **Who is required to register?**

1. In accordance with the Securities Act, Cap. 318A (Securities Act) persons carrying on business or holding themselves out in the following categories must be registered to carry on that activity:
  - i. Securities companies i.e. companies carrying on business of trading in securities. (Otherwise known as broker/dealer companies or firms);
  - ii. Brokers i.e. an individual engaged in the business of effecting transactions in securities for third parties;
  - iii. Dealers in securities i.e. a company or an individual engaged in the business or buying and selling securities for his own account;
  - iv. Traders in securities i.e. an individual employed by a broker (securities company) to participate in any trade in securities;
  - v. Investment advisers (including investment fund managers providing investment advice to funds);
  - vi. Underwriters of securities i.e. whether as a principal; agent; or participant directly or indirectly for consideration as explained by the Securities Act.

### Note:

- i. International Business Companies
- ii. Companies licensed with the Central Bank
- iii. Persons outside of Barbados providing services to persons resident in Barbados
- iv. Individuals employed by a company to carry on one or more of the regulated activities are required to be registered if they are carrying on any of the aforementioned activities.

## **Issuers of securities and their securities**

2. The Securities Act requires persons who issue securities to the public to be registered as Reporting Issuers. Securities offered to the public or listed with any self-regulatory organisations e.g. the stock exchange, must be registered.

### Self-regulatory organisations

3. Stock exchanges and securities depositories are required to be registered in accordance with the Securities Act.

### Mutual funds

4. Mutual funds carrying on business in Barbados must be licensed in accordance with the Mutual Funds Act, Cap. 320B (Mutual Funds Act). A mutual fund is regarded as carrying on business or attempting to carry on business in Barbados:

(a) where it is incorporated, registered or established in Barbados to engage in mutual fund business; or

(b) where regardless of where it is incorporated, registered or established, its management, the control of all or substantially all of its assets, or its administration is carried on in Barbados; or

(ii) it otherwise falls within the description of a mutual fund based in Barbados; and it engages or proposes to engage in mutual fund business.

Note: "based in Barbados" has the meaning outlined in the Mutual Funds Act.

### Mutual fund administrators/managers

5. Persons engaged in the management of the assets of a mutual fund or the administration of a mutual fund must be licensed in accordance with the Mutual Funds Act as mutual fund administrators.

Note:

- i. International Business Companies
- ii. Companies licensed with the Central Bank
- iii. Persons outside of Barbados providing services to persons resident in Barbados are required to be registered if they are carrying on any of the aforementioned activities.

## Submission of registration statement; application for registration; or application for a licence

1. Market actors; self-regulatory organisations; mutual funds; and mutual fund administrators(managers)

Applicants for registration under the Securities Act, or a licence under the Mutual Funds Act, must submit completed applications along with the requisite fees to the Commission. All applications are to be submitted under a cover letter addressed to the Chief Executive Officer for the attention of the **Registration and Licensing Division**.

2. Reporting Issuers & securities

Prospective reporting issuers are required to file a registration statement in order to register as reporting issuers and register the securities to be offered to the public. Securities must be registered with the Commission prior to being listed with a stock exchange. A registration statement must be submitted under a cover letter to the Chief Executive Officer for the attention of the **Registration and Licensing Division**.

Note: Registration Statements to be filed pursuant to section 58(2) of the Securities Act i.e. registration as a reporting issuer must be filed at least fourteen (**14**) days prior to date of issue of the securities.

### The application/filing package

Application forms and registration statements must be fully completed and accompanied by the supporting documents and fees in order for an application/filing package to be considered complete. Checklists providing an outline of the documents and/or additional information required to process the application as well as the fees applicable to each category of registration or licence have been provided under "**Licensing/Registration Requirements**" on the website. Application forms are located under "**Forms**" on the website.

Note: The checklists should be completed and submitted along with the application documentation in order to detail the information, documents and fees that have been submitted in the application/filing package.

## **Processing of Applications/Filings of Registration Statements**

The application/registration package is examined for completeness and reviewed in order to ascertain whether further details are required based on the information submitted. During the review process FSC staff may liaise with the person responsible for submitting the package in order to request outstanding information or obtain further clarification or information needed in support of the application/filing.

Once the review process is complete, a recommendation is made for granting or refusal of registration or a licence on conclusion of the review exercise. In the case of the filing of a registration statement, a recommendation is made as to the effective date of the statement.

### **Timeline for review**

The entire assessment process for first time applications or filings may be concluded between two to four weeks depending on a number of factors including the type of application, completeness of the application/filing and the timing of the submission.

## **Communication of the decision and deliverables**

The FSC will communicate its decision regarding the application/filing in writing. Applicants for registration or a licence will also receive a certificate of registration or a licence as the case may be.

Any conditions of registration or the licence aside from those outlined in the legislation will accompany the certificate or licence. The certificate/licence is valid for the period stated therein.

## **Annual Registration/Licensing**

Applications for annual registration and licensing, inclusive of fees must be submitted by **January 31** each year.

The requisite forms, fees and additional documentation are to be submitted under cover letter addressed to the Chief Executive Officer for the attention of the **Registration and Licensing Division**. Checklists related to annual registration/licensing may be found under "**Licensing/Registration Requirements**" on the website.

Based on the information submitted, additional information may be requested. On completion of the review exercise a recommendation is made for issuance of the annual certificate or licence. Confirmation of renewal of registration is communicated in writing and the new certificate or licence is issued. Conditions of registration or the licence aside from those outlined in the legislation will accompany the certificate/ licence.

## **Annual filing of amended registration statement**

Amended registration statements should be filed by January 31 each year. The information outlined in the amended registration statement should be shown as at the issuer's most recent financial year. Since the financial year typically varies from the filing date, a supplemental to the statement is also requested in order to show the updated information as at the filing date. The checklist related to annual filing may be found under "**Licensing/Registration Requirements**" on the website. Based on the review of the amended statement additional information may be requested. Otherwise written confirmation of the receipt and review of the filing is issued.

## **Registration of Additional Securities / Licensing of Additional sub-funds**

### Registration of additional securities

Additional share issues, new bonds or other securities issued by a registered reporting issuer must be registered by filing a registration statement relative to the particular security. The statement must be accompanied by fees and additional relevant documentation. All documents should be submitted under cover letter and indicate the proposed issue or offer date, whichever is relevant. A checklist for registration of additional securities has been provided under "**Licensing/Registration Requirements**" on the website.

### Licensing of additional sub-funds

Applications for licensing of additional sub-funds must be submitted using the prescribed form. The form should be accompanied by the fees relative to an application for a mutual fund licence and additional documentation. The form, documents and fees should be submitted under cover letter indicating the proposed launch date of the fund(s). Reference should be made to "**Licensing/Registration Requirements**" on the website for the checklist for licensing of additional sub-funds.

Additional information may be requested based on the information provided with the registration statement or application. Determination of the effective date of the registration statement or the decision of licensing of the sub-funds, as the case may be, will be communicated in writing. An amendment to the fund's licence will be provided in the case of the addition of new sub-funds.

## **Remittance of fees**

Fees should be remitted in Barbados dollars by cheque; bank draft; or wire transfer paid to the order of the **Financial Services Commission**. Where funds are remitted by a non-Barbados cheque or by wire transfer, payment should include applicable bank charges in order to ensure that the full fees are submitted to the Commission