

S.I. 2014 No. 55

Securities Act

CAP. 318A

SECURITIES (REPORTING ISSUERS EXEMPTION) ORDER, 2014

The Minister, in exercise of the powers conferred on him by section 127A(1) of the *Securities Act*, after consultation with the Financial Services Commission, makes the following Order:

Citation

1. This Order may be cited as the *Securities (Reporting Issuers Exemption) Order, 2014*.

Definitions

2. In this Order

“approved jurisdiction” means a jurisdiction listed in the *Schedule*;

“Commission” means the Financial Services Commission established by section 3 of the *Financial Services Commission Act* (Act 2010-21);

“domestic stock exchange” means a person in Barbados who maintains or provides

(a) physical facilities where persons may meet to execute trades in securities; or

(b) a mechanical, electronic or other system that facilitates execution of trades in securities by matching offers of purchase and sale,

and includes a clearing agency and the Barbados Stock Exchange;

“international business company” means a company licensed in accordance with section 9 of the *International Business Companies Act*, Cap. 77;

“recognised stock exchange” means a stock exchange listed in the *Schedule*;

“Regulations” means the *Securities Regulations, 2002* (S.I. 2002 No. 119) .

Eligibility for exemption

3.(1) A reporting issuer that issues or proposes to issue securities is eligible for an exemption from the requirements specified in subparagraph (2) where the issuer

- (a) is an international business company;
- (b) is not listed on the domestic stock exchange but is listed or proposes to be listed on a recognised stock exchange; and
- (c) does not issue securities to the public in Barbados but issues or proposes to issue securities in an approved jurisdiction.

(2) The requirements referred to in subparagraph (1) are:

- (a) the registration of a security pursuant to section 59(1) of the Act;
- (b) the filing of annual and other reports and the transmission to security holders of financial statements, pursuant to section 60(1) and (2) of the Act and regulations 54 and 55 of the Regulations;
- (c) the disclosure of a material change and the filing of a statement in respect of the change, pursuant to section 60(3)(a) and (b) of the Act;
- (d) compliance with Part VI of the Act and Part VI of the Regulations, each entitled “Distributions”;
- (e) compliance with Part VII of the Regulations, entitled “Financial Statements”;
- (f) the filing of a copy of all material sent by the reporting issuer to its security holders pursuant to regulation 57 of the Regulations; and

(g) compliance with Part IX of the Act in so far as it relates to issuers.

(3) A reporting issuer that satisfies the conditions of subparagraph (1) may apply to the Commission for the exemption in such form as may be required by the Commission and shall submit such information as may be requested by the Commission in relation to the application.

Duration of exemption

4. Where a reporting issuer is granted an exemption, the exemption remains valid until revoked.

Duty to supply information and to notify of change of status

5.(1) A reporting issuer that is granted an exemption shall, upon the request of the Commission, supply such records and other information as the Commission may require in order to determine whether the reporting issuer continues to satisfy the conditions for the exemption.

(2) Without prejudice to the generality of subparagraph (1), where

- (a) there is a change of circumstances that renders a reporting issuer no longer eligible for an exemption under this Order;
- (b) the directors of the reporting issuer decide to effect a change referred to in paragraph (a); or
- (c) regulatory action is taken in relation to the reporting issuer by a regulator other than the Commission,

the reporting issuer shall, in writing, inform the Commission of the change, the decision to effect the change or the receipt of notification of the regulatory action, forthwith or in any event, within one day thereof.

(3) In subparagraph (2)

“change” includes

- (a) dissolution;

- (b) involuntary liquidation;
- (c) cessation as an international business company;
- (d) de-listing of securities from a recognised stock exchange; and
- (e) cessation as a reporting issuer in an approved jurisdiction;

“regulatory action” includes

- (a) a warning;
- (b) a suspension;
- (c) a cease trade order;
- (d) an investigation; and
- (e) a change in regulatory status.

(4) A reporting issuer that fails to comply with subparagraph (1) or (2) is guilty of an offence and is liable on summary conviction to a fine of \$500 or to imprisonment for 3 months or to both.

Revocation of exempt status

6.(1) An exemption may be revoked where a reporting issuer

- (a) is no longer eligible for the exemption;
- (b) fails to pay, on or before 31st January each year, the prescribed annual fee in respect of the exemption; or
- (c) fails to comply with paragraph 5.

(2) Where the Minister proposes to revoke the exemption of a reporting issuer, the Minister shall give the reporting issuer reasonable notice of the proposed decision and shall state the reasons therefor.

(3) A reporting issuer that is aggrieved by the proposed revocation of an exemption may, within the time stated in the notice, make written representation to the Minister as to why the exemption should not be revoked.

SCHEDULE

(Paragraph 2)

APPROVED JURISDICTIONS AND RECOGNISED STOCK EXCHANGES

Approved Jurisdictions

1. Jamaica
2. Trinidad and Tobago

Recognised Stock Exchanges

- Jamaica Stock Exchange
Trinidad and Tobago Securities Exchange

Made by the Minister this 23rd day of July, 2014.

CHRISTOPHER SINCKLER
Minister Responsible for Finance