



EXTRAORDINARY
OFFICIAL GAZETTE
THE BAHAMAS
PUBLISHED BY AUTHORITY

NASSAU

8th December, 2023

COMMERCIAL ENTITIES (SUBSTANCE REQUIREMENTS) (AMENDMENT) ACT, 2023

Arrangement of Sections

Section

1.	Short title.....	2
2.	Amendment of section 2 of the principal Act.....	2
3.	Amendment of heading note of section 5 of the principal Act.....	3
4.	Amendment of section 11 of the principal Act.....	3
5.	Amendment of section 12 of the principal Act.....	5
6.	Repeal and replacement of section 13 of the principal Act.....	6
7.	Amendment of section 14 of the principal Act.....	6
8.	Amendment of section 15 of the principal Act.....	7
9.	Amendment of section 16 of the principal Act.....	7
10.	Amendment of section 29 of the principal Act.....	7
11.	Repeal of the First Schedule to the principal Act.....	7



No. 50 of 2023

COMMERCIAL ENTITIES (SUBSTANCE REQUIREMENTS) (AMENDMENT) ACT, 2023

AN ACT TO AMEND THE COMMERCIAL ENTITIES (SUBSTANCE REQUIREMENTS) ACT

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act, which amends the Commercial Entities (Substance Requirements) Act, 2023 (*No. 45 of 2023*), may be cited as the Commercial Entities (Substance Requirements) (Amendment) Act, 2023.

2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended —

- (a) by the deletion of the term “**reportable jurisdiction**” and its corresponding definition and the substitution of the following —

“**reportable jurisdiction**” means a jurisdiction prescribed by regulations made pursuant to section 29;”;

- (b) by the insertion, in the appropriate alphabetical order, of the following new terms and corresponding definitions —

““**gross income**” means all income from whatever source derived, including revenues from sales of inventory and properties, services, royalties, interest, premiums, dividends and any other amounts;

“**MNE Group**” has the meaning assigned to the term in the Multinational Entities Financial Reporting Act, 2018 (*No. 25 of 2018*);”.

3. Amendment of heading note of section 5 of the principal Act.

Section 5 of the principal Act, is amended by the deletion of the heading note “Meaning of relevant activities” and the substitution of the heading note “Meaning of relevant activity”.

4. Amendment of section 11 of the principal Act.

Section 11 of the principal Act is amended —

- (a) in subsection (2), by —
 - (i) the deletion of paragraphs (a) and (b) and the substitution therefor, of the following —
 - “(a) the information required under section 9(2) of the Register of Beneficial Ownership Act (*No. 38 of 2018*) and the name of the Entity’s MNE Group (if applicable);
 - (b) the date of the fiscal year for which it is reporting;”
 - (ii) the deletion of paragraph (c) and the substitution of the following —
 - “(c) in relation to an included entity in respect of each relevant activity it carried on during a fiscal year, and in respect of that fiscal year —
 - (i) whether the included entity carried out the relevant activity for only a part of the fiscal year;
 - (ii) the gross income earned and the relevant income generated by the relevant activity;
 - (iii) the total amount of expenditure incurred on the relevant activity;
 - (iv) the amount of expenditure incurred on the relevant activity within The Bahamas;
 - (v) the total number of employees of the included entity;
 - (vi) the total number of full-time equivalent employees engaged in the relevant activity;
 - (vii) the number of employees engaged in the relevant activity in The Bahamas;
 - (viii) the address of any premises within The Bahamas which is used in connection with the relevant activity;
 - (ix) the nature and net book value of any equipment and other tangible or physical

assets located within The Bahamas which is used in connection with the relevant activity;

- (x) the core income generating activities in relation to each relevant activity conducted;
- (xi) the names of persons responsible for the direction and management of the relevant activity together with their relationship to the included entity and whether they are resident in The Bahamas;
- (xii) details of the board meetings held by the included entity including —
 - (aa) total number of board meetings held;
 - (bb) total number of board meetings held in The Bahamas;
 - (cc) the quorum for such meetings;
 - (dd) whether the minutes of the meetings and strategic decisions taken at such meetings were kept in The Bahamas;
 - (ee) whether a quorum of directors was physically present in The Bahamas at such meetings;
 - (ff) names, qualifications, and years of experience of directors and whether they were physically present in The Bahamas at the meetings referenced in subsubparagraph (ee);
- (xiii) in respect of the included entity's beneficial owner, immediate parent, and ultimate parent (if any) —
 - (aa) their names and addresses;
 - (bb) their incorporation numbers or the equivalent;
 - (cc) their jurisdictions of tax residence;
 - (dd) their tax identification numbers or other identification reference numbers and the names of the jurisdictions issuing them; and,
 - (ee) the jurisdictions in which the immediate parent and ultimate parent are formed,

save that where the relevant activity is holding business, the prescribed information

required under this subsection (2)(e) shall be limited to subparagraphs (i),(ii),(iii),(iv), (v), (vi),(vii),(viii), (ix) and (xiii);

- (b) in subsection (3) —
 - (i) by the deletion of paragraph (a) and the substitution of the following —
 - “(a) the matters prescribed under paragraphs (a) to (d) of subsection (2) and subparagraph (iii) of paragraph (e) of subsection (2);”;
 - (ii) by the deletion of subparagraph (d) and the substitution of the following —
 - “(d) in respect of the Entity’s immediate parent and ultimate parent (if any) —
 - (i) the names and addresses of its immediate parent and ultimate parent;
 - (ii) the incorporation numbers or the equivalent;
 - (iii) the jurisdiction of tax residence of the immediate parent and ultimate parent;
 - (iv) the tax identification numbers or other identification reference numbers and the names of the jurisdiction issuing them; and,
 - (v) the jurisdictions in which the immediate parent and ultimate parent are formed;”;
- (c) in subsection (5), by the deletion of the word “entity” wherever it appears and the substitution of the word “Entity”.

5. Amendment of section 12 of the principal Act.

Section 12 of the principal Act is amended —

- (a) in subsection (1), by the deletion of the word “entity” and the substitution of the word “Entity”;
- (b) in subsection (2) —
 - (i) by the deletion of the references “(I), (ii) and (iii)” and the substitution of the references “(a), (b) and (c)”;
 - (ii) in subparagraph (a) —
 - (aa) by the deletion of the word “entity” and the substitution of the word “Entity”;
 - (bb) by the deletion of the word “entity’s” and the substitution of the word “Entity’s”;

- (c) in subsection (3), by the deletion of the word “entity” and the substitution of the word “Entity”;
- (d) in paragraph (d) of subsection (4), by the deletion of the word “entity” and the substitution of the word “Entity”.

6. Repeal and replacement of section 13 of the principal Act.

Section 13 of the principal Act is repealed and replaced as follows —

“13. Authority to Report.

The Authority shall spontaneously exchange the information reported to it pursuant to the provisions of this Act, in the manner and under the circumstances and to the reportable jurisdictions as prescribed by regulations made pursuant to section 29.”.

7. Amendment of section 14 of the principal Act.

Section 14 of the principal Act is amended —

- (a) by the deletion of subsection (1) and the substitution of the following —

“(1) The Authority may request additional information or documentation from an Entity in order to —

- (a) permit the Authority to comply with the form, manner, and modalities of exchange contained in OECD (2019), Substantial Activities in No or Only Nominal Tax Jurisdictions: Guidance for the Spontaneous Exchange of Information, (OECD, Paris) or any revised or substituted guidance on similar matters;
- (b) permit the Authority to verify an included entity’s compliance with the economic substance test; or
- (c) permit the Authority to verify an Entity’s compliance with any provision of this Act.”;

- (b) in subsection (2), by the deletion of the word “entity” wherever it appears and the substitution of the word “Entity”;
- (c) in subsection (4), by the deletion of the word “entity” wherever it appears and the substitution of the word “Entity”;
- (d) in subsection (6), by the deletion of the word “entity” and the substitution of the word “entity”;
- (e) by the insertion, immediately after subsection (6), of the following new subsection (7) —

“(7) For the purposes of this section, “**OECD**” means The Organisation for Economic Co-operation and Development”.

8. Amendment of section 15 of the principal Act.

Section 15 of the principal Act is amended in paragraph (b) of subsection (2), by the deletion of the word “entity's” and the substitution of the word “Entity's”.

9. Amendment of section 16 of the principal Act.

Section 16 of the principal Act is amended —

- (a) in paragraph (b) of subsection (1), by the deletion of the word “entity” and the substitution of the word “Entity”;
- (b) in subsection (2), by the deletion —
 - (i) of the word “entity” wherever it appears and the substitution of the word “Entity”; and
 - (ii) of the word “or” appearing at the end of paragraph (b);
- (c) by the deletion of the period appearing at the end of paragraph (c) and the substitution of the words “; or”; and
- (d) by the insertion, immediately after paragraph (c), of the following new paragraph (d) —
 - “(d) if the information is used by the Authority in accordance with the rules and processes for other forms of exchange of information on request, including foreseeable relevance.”.

10. Amendment of section 29 of the principal Act.

Section 29 of the principal Act is amended —

- (a) in paragraph (c), by the deletion of the word “entities” and the substitution of the word “Entities”;
- (b) by the re-lettering of paragraph (e) as paragraph (g); and
- (c) by the insertion, immediately after paragraph (d), of the following new paragraphs (e) and (f) as follows —
 - “(e) prescribe the names of the reportable jurisdictions with whom information shall be spontaneously exchanged by the Authority pursuant to the provisions of this Act ;
 - (f) prescribe the manner and the circumstances in which the Authority shall spontaneously exchange with reportable jurisdictions the information reported to the Authority pursuant to the provisions of this Act;”.

11. Repeal of the *First Schedule* to the principal Act.

The *First Schedule* to the principal Act is hereby repealed.

**INVESTMENT CONDOMINIUM (AMENDMENT)
ACT, 2023**

Arrangement of Sections

Section

1. Short title.....2
2. Insertion of new section 16A into the principal Act.2



No. 51 of 2023

INVESTMENT CONDOMINIUM (AMENDMENT) ACT, 2023

AN ACT TO AMEND THE INVESTMENT CONDOMINIUM ACT PERMITTING AN INVESTMENT CONDOMINIUM TO CONVERT TO AN INTERNATIONAL BUSINESS COMPANY OR AN EXEMPTED LIMITED PARTNERSHIP AND FOR CONNECTED PURPOSES

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act, which amends the Investment Condominium Act (*Ch.369G*), may be cited as the Investment Condominium (Amendment) Act, 2023.

2. Insertion of new section 16A into the principal Act.

The principal Act is amended by the insertion immediately following section 16 of the following new section 16A —

“16A. Conversion of an investment condominium to certain entities.

- (1) An investment condominium registered under this Act may be converted to an international business company incorporated under the International Business Companies Act or an exempted limited partnership registered under the Exempted Limited Partnership Act in the relevant enactments.
- (2) An investment condominium that has been converted to an international business company or an exempted limited partnership shall be struck off the Register as of the date specified in the certificate of conversion issued pursuant to the relevant enactments.”.

REGISTER OF BENEFICIAL OWNERSHIP (AMENDMENT) ACT, 2023

Arrangement of Sections

Section

1. Short title and commencement.....2
2. Amendment of section 12 of No. 38 of 2018.....2



No. 52 of 2023

REGISTER OF BENEFICIAL OWNERSHIP (AMENDMENT) ACT, 2023

AN ACT TO AMEND THE REGISTER OF BENEFICIAL OWNERSHIP ACT

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act may be cited as the Register of Beneficial Ownership (Amendment) Act, 2023.
- (2) This Act shall come into operation on a date to be appointed by the Minister, by notice published in the *Gazette*.

2. Amendment of section 12 of No. 38 of 2018.

Section 12 of the Register of Beneficial Ownership Act, is amended in subsection (6), by the deletion of paragraph (g) and the substitution of the following —

- “(g) the Authority or Competent Authority, in accordance with the International Tax Cooperation Act (*Ch. 369F*), the Automatic Exchange of Financial Account Information Act, 2016 (*No. 37 of 2016*), the Multinational Entities Financial Reporting Act, 2018 (*No. 25 of 2018*) and the Commercial Entities (Substance Requirements) Act (*No. 45 of 2023*).”

**EXEMPTED LIMITED PARTNERSHIP (AMENDMENT)
(NO. 2) ACT, 2023**

Arrangement of Sections

Section

- 1. Short title.....2
- 2. Insertion of a new sections 23A and 23B into the principal Act.....2



No. 53 of 2023

**EXEMPTED LIMITED PARTNERSHIP (AMENDMENT)
(NO. 2) ACT, 2023**

**AN ACT TO AMEND THE EXEMPTED LIMITED
PARTNERSHIP ACT, FOR CONVERTING AN
INVESTMENT CONDOMINIUM TO AN EXEMPTED
LIMITED PARTNERSHIP AND FOR CONNECTED
PURPOSES**

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act, which amends the Exempted Limited Partnership Act (*Ch. 312*) may be cited as the Exempted Limited Partnership (Amendment) (No. 2) Act, 2023.

2. Insertion of a new sections 23A and 23B into the principal Act.

The principal Act is amended by the insertion immediately after section 23 of the following new sections 23A and 23B —

"23A. Conversion of an investment condominium to an exempted limited partnership.

- (1) An investment condominium registered under the Investment Condominium Act (*Ch.369G*) may be converted to an exempted limited partnership registered under this Act in the manner prescribed in this section.
- (2) The governing administrator of an investment condominium proposing to convert to and be registered as an exempted limited partnership under this Act shall approve articles of conversion.

- (3) Notice of the conversion shall be given to all participants and articles of conversion shall also be approved by resolution of participants whose participation interests carry voting rights and the outstanding participation interests shall be entitled to vote as a class or series if the governing regulations so provide or if the articles of conversion contain any provisions that, if contained in a proposed amendment to the governing regulations would entitle the class or series to vote on the proposed amendment as a class or series.
- (4) The articles of conversion shall contain the following information
 - (a) the name under which the investment condominium shall operate as an exempted limited partnership following the conversion;
 - (b) the date on which the investment condominium was registered as an investment condominium under the Investment Condominium Act (*Ch.369G*);
 - (c) provisions detailing the basis upon which participation interests, including classes and series of participation interests shall be converted to partnership interests, debt obligations or other securities in the exempted limited partnership along with details of any rights attaching thereto;
 - (d) the names and designations of the proposed general partner or general partners of the exempted limited partnership with at least one such general partner meeting the qualification requirements of section 4(5) of this Act;
 - (e) provisions for the valuation and accounting treatment of the assets and liabilities of the investment condominium and any retained earnings upon conversion;
 - (f) any additional terms and conditions of the conversion; and,
 - (g) an annexed copy of the partnership agreement containing the information prescribed in this Act.
- (5) The articles of conversion shall be submitted to the Registrar along with the prescribed fee within seven days of the date of approval of the articles of conversion.
- (6) Each partner and former participant shall be entitled to receive a confirmation from the general partner stating –
 - (a) the number or value of participation interests converted and the number of partnership interests held by such partner;
 - (b) that the conversion of the investment condominium to an exempted limited partnership registered under this Act has not affected the value of the capital contribution made by

such former participant or the value of the newly converted partnership interests in the exempted limited partnership.

- (7) The conversion shall be evidenced by a certificate of conversion issued by the Registrar indicating that the investment condominium has been converted to an exempted limited partnership under this Act and the investment condominium shall forthwith be struck off the register of investment condominiums under the Investment Condominium Act (*Ch.369G*) and added to the register of exempted limited partnerships maintained under this Act.

23B. Effect of Conversion.

From the date of conversion specified in the certificate of conversion —

- (a) the investment condominium to which the certificate relates shall cease to be an investment condominium registered under the Investment Condominium Act (*Ch.369G*) without dissolving or winding up;
- (b) the participation interests of the participants shall be converted in the manner indicated in the articles of conversion into partnership interests in the exempted limited partnership with all attendant rights of general or limited partners as indicated in the articles of conversion and the partnership agreement annexed to the articles of conversion;
- (c) all of the assets and liabilities of the investment condominium including property of every description and choses in action, shall be vested in the general partner(s) in trust for the exempted limited partnership and the investment condominium shall be struck off the register of investment condominiums;
- (d) all participation interests in the investment condominium that were outstanding prior to the conversion shall be converted to partnership interests in conformity with the articles of conversion, and this Act without transfer, redemption or reissue;
- (e) the partners shall remain liable for the amount unpaid on any participation interest that remains unpaid at the time of conversion;
- (f) no conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due and no cause existing against the investment condominium or any former officer, agent, governing administrator, or general administrator, is

released or impaired by its conversion to an exempted limited partnership registered under this Act.”.

FINANCIAL INTELLIGENCE UNIT ACT, 2023

Arrangement of Sections

Section

PART I - PRELIMINARY	3
1. Short title and commencement.....	3
2. Interpretation.....	3
PART II – ADMINISTRATION	4
3. Continuation of the Financial Intelligence Unit.....	4
4. Appointment of Director.	4
5. Staff of the Financial Intelligence Unit.	4
6. Assignment of police officers to the Financial Intelligence Unit.....	5
7. Functions of the Financial Intelligence Unit.....	5
8. Designation of foreign financial intelligence unit.	7
9. Appeal to discharge freeze order.	7
10. Directions of the Minister.....	7
11. Prohibition against provision of information by Financial Intelligence Unit.....	7
12. Protection of officers, etc.....	7
13. Confidentiality.....	8
14. Annual report.....	8
PART III – FINANCIAL PROVISIONS	8
15. Funds and resources.....	8
16. Surplus funds.....	8
17. Annual budget.....	9
18. Accounts and audit.....	9
PART IV – ENFORCEMENT	9
19. Compliance notice.....	9
20. Administrative penalty.....	10
21. Appeal from imposition of administrative penalty.	10
PART V - MISCELLANEOUS	10
22. Regulations.....	10
23. Guidelines.....	11
24. Consultation on proposed guidelines.....	11
25. Financial Intelligence Unit to make guidelines available.....	12
26. Obligation to review of guidelines.....	12

27. Savings and transitional.....	12
28. Repeal.....	12
FIRST SCHEDULE	13
SECOND SCHEDULE	15



No. 54 of 2023

FINANCIAL INTELLIGENCE UNIT ACT, 2023

AN ACT TO PROVIDE FOR THE CONTINUATION OF THE FINANCIAL INTELLIGENCE UNIT AND TO REPEAL AND REPLACE THE FINANCIAL INTELLIGENCE UNIT ACT

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

PART I - PRELIMINARY

1. Short title and commencement.

- (1) This Act may be cited as the Financial Intelligence Unit Act, 2023.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice published in the *Gazette*.

2. Interpretation.

In this Act —

“**Anti-Terrorism Act**” means the Anti-Terrorism Act, 2018 (*No.27 of 2018*);

“**compliance notice**” means the notice issued pursuant to section 19;

“**counsel and attorney**” has the same meaning ascribed to it in section 2 of the Legal Profession Act (*Ch. 64*);

“**Deputy Director**” means the Deputy Director of the Financial Intelligence Unit, appointed pursuant to section 5;

“**Director**” means the Director of the Financial Intelligence Unit, appointed pursuant to section 4;

“**financial institution**” has the meaning as ascribed to it in section 3 of the Financial Transactions Reporting Act;

“**Financial Intelligence Unit**” means the Financial Intelligence Unit continued under section 3;

“**Financial Transaction Reporting Act**” means the Financial Transaction Reporting Act, 2018 (*No. 5 of 2018*);

“**foreign financial intelligence unit**” means such body or bodies in another jurisdiction which performs functions similar to those of the Financial Intelligence Unit and designated by the Minister in accordance with section 8;

“**IRF Steering Committee**” has the meaning as ascribed to it in section 6 of the Proceeds of Crime Act;

“**Minister**” means the Minister responsible for the administration of this Act;

“**Proceeds of Crime Act**” means the Proceeds of Crime Act, 2018 (*No. 4 of 2018*);

“**Supervisory Authority**” has the meaning as ascribed to it in section 2 Financial Transactions Reporting Act.

PART II – ADMINISTRATION

3. Continuation of the Financial Intelligence Unit.

The body known and existing as the Financial Intelligence Unit and established under section 3 of the Financial Intelligence Unit Act (*Ch. 367*), is hereby preserved and continues in existence as the Financial Intelligence Unit having perpetual succession and a common seal with power to enter into contracts and to do all such things necessary for the purpose of its functions.

4. Appointment of Director.

- (1) The Minister shall, appoint in writing a Director who shall be the chief executive officer of the Financial Intelligence Unit.
- (2) The appointment of the Director shall be subject to the provisions of this Act and such other terms and conditions specified in writing by the Minister.

5. Staff of the Financial Intelligence Unit.

- (1) The following appointments by the minister shall apply —
 - (a) Deputy Director;
 - (b) Counsel and Attorney.
- (2) The Director shall engage such number of consultants, having suitable qualifications and experience to provide services to the Financial

Intelligence Unit, appointed in writing by the Minister after consultation with the Director;

- (3) The Director shall —
 - (a) employ such number of permanent and temporary staff;
 - (b) engage such number of police officers;
 - (c) engage such number of public servants on secondment, having suitable qualifications and experience to provide services to the Financial Intelligence Unit, who shall comprise the Financial Intelligence Unit.
- (4) The *First Schedule* shall have effect with respect to the Director and otherwise in relation to the Financial Intelligence Unit.

6. Assignment of police officers to the Financial Intelligence Unit.

- (1) The Director may request the Commissioner of Police to assign suitably qualified officers of the Royal Bahamas Police Force to the Financial Intelligence Unit.
- (2) An officer assigned to the Financial Intelligence Unit shall be required to act on the instructions of the Director.

7. Functions of the Financial Intelligence Unit.

- (1) In the exercise of its functions under subsection (2), the Financial Intelligence Unit shall act as the agency responsible for receiving, analysing, obtaining and disseminating information which relates to or may relate to the proceeds of the offences specified in the *Second Schedule*.
- (2) Without limiting the foregoing and notwithstanding any other law to the contrary, the Financial Intelligence Unit —
 - (a) shall receive all disclosures of information such as are required to be made pursuant to —
 - (i) the Proceeds of Crime Act;
 - (ii) the Financial Transactions Reporting Act;
 - (iii) the Anti-Terrorism Act; and
 - (iv) any other Act which is relevant to its functions, including information from any foreign financial intelligence unit;
 - (b) may upon the receipt of any disclosure as are referred to in paragraph (a) inclusive of disclosures or requests from any foreign financial intelligence unit or any law enforcement authority, order any person to refrain from conducting any transaction on an account by issuing a freeze order for a period up to but not exceeding fourteen days, if satisfied that the request relates to

proceeds of any offences or suspected offences specified in the *Second Schedule*.

- (c) may require, within a period not exceeding fourteen working days, the production of all relevant information excluding information subject to legal professional privilege that the Financial Intelligence Unit considers necessary to fulfil its functions;
- (d) shall retain a record of all information that it receives for a minimum of five years after the information is received;
- (e) shall provide information, subject to such conditions as may be determined by the Director, to the Commissioner of Police where the information may relate to any offence or suspected offence specified in the *Second Schedule*;
- (f) may provide information, subject to any conditions as may be appropriate, by the Director, to a foreign financial intelligence unit where the information may relate to any offence or suspected offence specified in the *Second Schedule*;
- (g) shall, where the Director considers it necessary, coordinate, cooperate and exchange information with —
 - (i) a Supervisory Authority;
 - (ii) the IRF Steering Committee;
 - (iii) any department of government or any such person or statutory body, that has a part of its functions, a requirement to regulate financial institutions;
- (h) may, where the Director considers it necessary or desirable for the discharge or performance of the functions of the Financial Intelligence Unit, enter into a written agreement or arrangement with —
 - (i) a foreign financial intelligence unit;
 - (ii) a Supervisory Authority;
 - (iii) the IRF Steering Committee; or
 - (iv) any department of government or any other body that has oversight of anti-money laundering, countering the financing of terrorism and countering the financing of proliferation policies;
- (i) shall inform the public and financial institutions of their obligations under measures that have been or might be taken to detect, prevent and deter the commission of offences specified in the *Second Schedule*.

8. Designation of foreign financial intelligence unit.

The Minister may by order designate a body in another jurisdiction which performs functions similar to those of the Financial Intelligence Unit as a foreign financial intelligence unit for the purposes of this Act.

9. Appeal to discharge freeze order.

A person aggrieved by a freeze order made in accordance with section 7(2)(b) may apply to a judge in chambers to discharge the order of the Financial Intelligence Unit and shall serve notice on the Financial Intelligence Unit to join in the proceedings but such order shall remain in full force and effect until the judge determines otherwise.

10. Directions of the Minister.

The Minister may give to the Financial Intelligence Unit, directions in writing of a general nature as to the policy to be followed by the Financial Intelligence Unit in the performance of its functions as appear to the Minister to be requisite in the public interest and the Financial Intelligence Unit shall give effect to those directions.

11. Prohibition against provision of information by Financial Intelligence Unit.

Notwithstanding the provisions of any other Act no order for the provision of information, documents or evidence may be issued in respect of the Financial Intelligence Unit or against the Minister, Director, officers or personnel of the Financial Intelligence Unit or any person engaged pursuant to this Act.

12. Protection of officers, etc.

- (1) No action shall lie against the Minister, Director, officers or personnel of the Financial Intelligence Unit or any person acting under the direction of the Director for anything done or omitted to be done in good faith and in the administration or discharge of any functions, duties or powers under this Act.
- (2) No proceedings for breach of banking or professional confidentiality may be instituted against any person or against directors or employees of a financial institution who in good faith transmit information or submit reports to the Financial Intelligence Unit in accordance with —
 - (a) the Proceeds of Crime Act;
 - (b) the Financial Transactions Reporting Act;
 - (c) the Anti-Terrorism Act; or
 - (d) under this Act or any other law.

- (3) No civil or criminal liability action may be brought nor any professional sanction may be taken against any person or against directors or employees of a financial institution who in good faith transmit information or submit reports to the Financial Intelligence Unit.

13. Confidentiality.

- (1) Any person who obtains information in any form as a result of his connection with the Financial Intelligence Unit shall not disclose that information to any person except so far as it is required or permitted under this Act or any other written law.
- (2) Any person who communicates any information in breach of subsection (1), commits an offence and shall be liable on summary conviction to a fine not exceeding ten thousand dollars or to a term of imprisonment not exceeding one year or to both such fine and imprisonment.

14. Annual report.

- (1) The Director shall —
 - (a) from time to time advise the Minister on the work of the Financial Intelligence Unit and in particular on matters that could affect public policy or the priorities to be set by the Financial Intelligence Unit; and
 - (b) prepare and submit to the Minister on or before the 30th of June in each year an annual report reviewing the work of the Financial Intelligence Unit.
- (2) The Minister shall lay or cause to be laid a copy of every annual report on the table of both Houses of Parliament.

PART III – FINANCIAL PROVISIONS

15. Funds and resources.

The funds and resources of the Financial Intelligence Unit shall consist of —

- (a) any moneys as may from time to time be provided by Parliament; and
- (b) any fee, charge or penalty collected by the Financial Intelligence Unit in accordance with this Act or any other law.

16. Surplus funds.

- (1) Subject to subsection (2), the Financial Intelligence Unit shall at the end of each financial year pay into the Consolidated Fund all excess of

revenue over expenditure standing to the credit of the Financial Intelligence Unit.

- (2) The Minister of Finance may, at the end of the financial year, authorise the Financial Intelligence Unit to reserve from surplus funds for current budgetary purposes or otherwise such sums, if any, as the Minister may determine.

17. Annual budget.

The Financial Intelligence Unit shall prepare for each new financial year, an annual budget of revenue and expenditure which shall be submitted to the Minister at least two months prior to the commencement of the financial year.

18. Accounts and audit.

- (1) The Financial Intelligence Unit shall keep proper accounts and other records in relation thereto and shall prepare in respect of each financial year a statement of accounts.
- (2) The accounts of the Financial Intelligence Unit for each financial year shall be audited by an auditor to be appointed by the Director with the approval of the Minister.
- (3) As soon as the accounts have been audited the Financial Intelligence Unit shall submit a copy thereof to the Minister together with a copy of any report made by the auditor.
- (4) The Minister shall lay a copy of every such audited accounts before each House of Parliament, together with a copy of any report made by the auditor on the accounts.

PART IV – ENFORCEMENT

19. Compliance notice.

- (1) The Director may issue a compliance notice to a financial institution who has failed to comply with a requirement of this Act.
- (2) The compliance notice shall —
 - (a) be made in writing;
 - (b) specify the requirement that the financial institution has failed to comply with;
 - (c) require the financial institution to comply with the notice;
 - (d) specify the period by which compliance is required; and

- (e) specify any other conditions for compliance as the Director may consider necessary.
- (3) The issuance of a compliance notice shall not prohibit the imposition of a penalty in accordance with this Act.

20. Administrative penalty.

- (1) The Director may impose an administrative penalty upon a financial institution if after the expiration of the period specified in the compliance notice issued in accordance with section 19, that the financial institution has failed to comply with the directions in that compliance notice.
- (2) An administrative penalty —
 - (a) shall be made in writing;
 - (b) state that the financial institution has failed to comply with a compliance notice;
 - (c) order the financial institution to pay to the Financial Intelligence Unit, a penalty not exceeding one thousand dollars for every day from the date the financial institution was required to comply with the compliance notice to the date the financial institution rectifies the non-compliance.

21. Appeal from imposition of administrative penalty.

Any person who is aggrieved by the imposition of an administrative penalty under section 20 may appeal the imposition of that penalty to the Supreme Court.

PART V - MISCELLANEOUS

22. Regulations.

- (1) The Minister, after consultation with the Financial Intelligence Unit, may make such regulations for carrying out or giving effect to this Act.
- (2) Without prejudice to the generality of subsection (1), such regulations may in particular —
 - (a) require financial and other institutions as may be prescribed to establish and maintain procedures relating to the identification of clients, the keeping of records, the making of reports and training;
 - (b) prescribe summary offences and penalties for failing to comply with the regulations or guidelines issued under this Act, or with guidelines, codes of practice or other instructions issued by a relevant agency;

- (c) prescribe all matters required or permitted by this Act to be prescribed.

23. Guidelines.

- (1) Subject to section 24, the Financial Intelligence Unit shall from time to time issue, in respect of each kind of financial institution to which the Financial Transactions Reporting Act applies, guidelines —
 - (a) setting out any features of a transaction that may give rise to a suspicion that the transaction is or may be relevant to the enforcement of the Proceeds of Crime Act;
 - (b) setting out any circumstances in which a suspicious transaction report relating to such a transaction may be made orally in accordance with section 14(3) of the Financial Transactions Reporting Act and the procedures for making such an oral report.
- (2) Suspicious transaction guidelines shall be issued in such manner as the Financial Intelligence Unit shall from time to time determine.
- (3) Without limiting subsection (1), suspicious transaction guidelines issued under this section may relate to one or more kinds of financial institution and such guidelines may make different provisions for different kinds of financial institutions and different kinds of transactions.

24. Consultation on proposed guidelines.

- (1) The Financial Intelligence Unit shall, before issuing any suspicious transaction guidelines —
 - (a) consult with, and invite representations from —
 - (i) the Central Bank of The Bahamas;
 - (ii) the Securities Commission;
 - (iii) the Compliance Commission;
 - (iv) the Insurance Commission;
 - (v) the Gaming Board; and
 - (vi) such other agency or entity as the Minister may by order designate,and shall have regard to any such representations;
 - (b) give public notice of the Financial Intelligence Unit's intention to issue the guidelines, which notice shall contain a statement —
 - (i) indicating the Financial Intelligence Unit's intention to issue the guidelines; and
 - (ii) inviting financial institutions that are likely to be affected by the proposed guidelines, and industry organisations that are representative of those financial institutions, to express to the

Financial Intelligence Unit, within such reasonable period as is specified in the notice, their interest in being consulted in the course of the development of the guidelines; and

- (c) consult with, and invite representations from, any financial institution and industry organisation which expresses such an interest, and shall have regard to any such representations.
- (2) Nothing in subsection (1), prevents the Financial Intelligence Unit from adopting any additional means of publicising the proposal to issue any suspicious transaction guidelines or of consulting with interested parties in relation to such a proposal.

25. Financial Intelligence Unit to make guidelines available.

On request by any financial institution in respect of which any suspicious transaction guidelines are for the time being in force, or by any industry organisation that represents any such financial institution, the Financial Intelligence Unit shall, without charge —

- (a) make those guidelines, and all amendments to those guidelines, available for inspection, by that financial institution or, as the case requires, that industry organisation, at its offices; and
- (b) provide copies of those guidelines, and all amendments to those guidelines, to that financial institution, or, as the case requires, that industry organisation.

26. Obligation to review of guidelines.

- (1) The Financial Intelligence Unit shall from time to time review any suspicious transaction guidelines for the time being in force.
- (2) Section 24 shall apply in relation to any such review as if the review were a proposal to issue suspicious transaction guidelines.

27. Savings and transitional.

The persons serving as Director and staff of the Financial Intelligence Unit on the date of coming into force of this Act shall continue in office and shall be for the purposes of this Act, as if they had been appointed under this Act on the same terms and conditions until the expiration of their term.

28. Repeal.

The Financial Intelligence Unit Act (*Ch. 367*) is hereby repealed.

FIRST SCHEDULE

(Section 3(3))

THE DIRECTOR OF THE FINANCIAL INTELLIGENCE UNIT

1. Appointment and remuneration of Director.

- (1) Subject to subparagraph (2) and paragraph 4, the Director shall be appointed to hold office for such term, not exceeding five years, as set out in his instrument of appointment.
- (2) Without prejudice to subparagraph (1), the Director is eligible on the expiration of a first or any subsequent term of office to be re-appointed for a further term not exceeding five years.
- (3) The Director shall receive such remuneration whether by way of salary, honoraria or fees, as may be determined in writing by the Minister.
- (4) If a person ceases to be the Director and it appears to the Minister that there are special circumstances which make it right that the person should receive compensation, the Minister may direct to pay to that person a sum of such amount as the Minister may determine.

2. Role and Term of Office.

- (1) The Director shall have charge of the day-to-day management and operation of the Financial Intelligence Unit.
- (2) The Director shall not while holding office, hold any other office or employment, whether remunerated or not, without the prior approval of the Minister.
- (3) Subject to subparagraph (1) of this paragraph, a person may not be appointed or remain Director who is a —
 - (a) member of either House of Parliament;
 - (b) public officer; or
 - (c) director, officer or servant of, or has a controlling interest in, any financial institution.

3. Appointment of Acting Director.

The Minister may appoint, upon the recommendation of the Director, any person eligible to be appointed to act temporarily in the place of the Director who is absent or unable to act.

4. Resignation or termination of Director.

- (1) The Director may at any time by notice in writing to the Minister resign his office.
- (2) If the Minister is satisfied that the Director by reason of —
 - (a) bankruptcy or having made arrangements with his creditors;
 - (b) incapacitation due to physical or mental illness;
 - (c) misconduct and gross negligence; or
 - (d) being unable or unfit to discharge the functions of director,the Minister may declare the office of Director vacant and shall notify the fact in such manner as the Minister thinks fit, and thereupon that office shall become vacant.

SECOND SCHEDULE

(Section 7(1))

OFFENCES

Offences under the Proceeds of Crime Act, 2018 (*No. 4 of 2018*)

Offences under the Anti-Terrorism Act (*No. 5 of 2018*)

Offences under the Currency Declaration Act, 2015 (*No.38 of 2015*)

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT)(NO. 2) ACT, 2023

Arrangement of Sections

Section

1.	Short title.....	2
2.	Amendment of section 75 of the principal Act.	2
3.	Insertion of new sections 79A – 79F into the principal Act.....	3
4.	Amendment of section 81 of the principal Act.....	10
5.	Amendment of section 83 of the principal Act.	10
6.	Amendment of the principal Act to delete section 84C and substitute sections 84C, 84D and 84E.....	10
7.	Amendment of the First Schedule to the principal Act.....	14



No. 55 of 2023

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) (NO. 2) ACT, 2023

AN ACT TO AMEND THE INTERNATIONAL BUSINESS COMPANIES ACT FOR DEMERGING AN INTERNATIONAL BUSINESS COMPANY AND FOR CONVERTING AN INVESTMENT CONDOMINIUM TO AN INTERNATIONAL BUSINESS COMPANY AND FOR CONNECTED PURPOSES

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act, which amends the International Business Companies Act (*Ch. 309*), may be cited as the International Business Companies (Amendment)(No. 2) Act, 2023.

2. Amendment of section 75 of the principal Act.

Section 75 of the principal Act is amended—

- (a) by the deletion of the definition of “surviving company”, and the substitution of the following –
 “**surviving company**” means the constituent company into which one or more other constituent companies are merged or a demerging company which, on completion of a demerger, continues as a demerged company.”
- (b) by the insertion the following new definitions in appropriate alphabetical order –

“demerged company” means a company resulting from a demerger under section 79A;

“demerging company” means a company that demerges into two or more companies pursuant to section 79A;

“new company” means a company incorporated as a result of a demerger;

3. Insertion of new sections 79A – 79F into the principal Act.

The principal Act is amended by the insertion, immediately following section 79, of new sections 79A, 79B, 79C, 79D, 79E and 79F as follows –

“79A. Companies eligible and not eligible to demerge and be demerged.

- (1) Subject to subsection (2), a company incorporated under this Act may demerge into two or more companies incorporated under this Act–
 - (a) one of which is the surviving company and the other, or others of which, are new companies; or
 - (b) all of which are new companies.
- (2) The following companies shall not be eligible to demerge or to become a demerged company within this section except with the prior written consent of the regulatory authority regulating such company–
 - (a) a company that is licensed by the Central Bank of The Bahamas;
 - (b) a company that is licensed by the Insurance Commission of The Bahamas; or
 - (c) a company that is registered with or licensed by the Securities Commission of The Bahamas.

79B. Plan of Demerger.

- (1) The directors of a company proposing to demerge shall approve a written plan of demerger in accordance with this section.
- (2) A plan of demerger shall state the terms and means of effecting the demerger, and in particular, the following information –
 - (a) details of the proposed demerging company, including –
 - (i) whether or not the company shall be the surviving company; and

- (ii) the names and addresses of the persons who are the directors of the demerging company;
 - (b) details of any arrangements necessary to complete the demerger;
 - (c) details of any payment, other than of a kind described in subsection (3)(b), proposed to be made to a member or director of the demerging company; and
 - (d) in relation to any securities of a demerging company, the information specified in subsection (3).
- (3) The information referred to in subsection (2)(d) is –
- (a) if the securities are to be converted into securities of new company, details of the basis of that conversion and the manner in which the conversion is to be done; or
 - (b) otherwise, the kind of payment that the holders of any securities in the demerging company are to receive instead of the securities of a new company and the manner in which and the time at which they are to receive it.
- (4) If a demerging company is a new company, the plan of demerger shall, in addition to the information required under subsection (2) –
- (a) set out –
 - (i) the proposed memorandum and articles of the new company; and
 - (ii) the name and address of any person who will become a director of the new company; and
 - (b) have attached to it a draft of any other document or information that would be required by this Act to be delivered to the Registrar if the demerged company was being incorporated under this Act otherwise than by demerger.
- (5) If a demerging company is the surviving company, the plan of demerger shall, in addition to the information required under subsection (2) state –
- (a) whether any amendments to the memorandum and articles of the demerging company are proposed to take effect on the demerger and, if so, details of those amendments; and

- (b) whether it is proposed that, on the demerger, any person will become, or cease to be a director of the surviving company and, if so, the name and address of each person.
- (6) A plan of demerger may provide that, at any time before the completion date of the demerger, the plan of demerger may be revoked by the demerging company.
- (7) If a plan of demerger is revoked under a provision included in the plan of demerger in accordance with subsection (6), nothing in this Act requires or authorizes any further steps to be taken to complete the demerger.
- (8) A plan of demerger must identify the undertaking, property, rights and liabilities of the demerging company and must state, in respect of each demerged company, which part of the undertaking, property, rights and liabilities of the demerging company is to become the undertaking, property, rights and liabilities of each demerged company, except that a liability attached to any property of a demerging company must not be separated from that property.

79C. Approval of the plan of demerger.

- (1) Before notice is given of a meeting of a demerging company to approve a plan of demerger, the directors of the demerging company shall pass a resolution that, in the opinion of the directors voting for the resolution, the demerger is in the best interests of the demerging company.
- (2) For the purposes of this section, a solvency statement is a statement that, having made full inquiry into the affairs of the demerging company, the person making the statement reasonably believes that –
 - (a) the demerging company is, and will remain until the demerger is completed, able to discharge its liabilities as they fall due;
 - (b) and the assets of the demerging company exceed its liabilities and will continue to do so until the demerger is completed.
- (3) If the directors voting for the resolution are satisfied on reasonable grounds that they can properly make a solvency statement in respect of the demerging company, the resolution shall in addition state that they are so satisfied.
- (4) If the directors voting for the resolution are not satisfied on reasonable grounds that they can properly make a solvency

statement a demerger shall not proceed in accordance with this section.

- (5) The directors of a demerging company shall submit the plan of demerger for approval by a resolution of members whose shares carry voting rights and, where there is more than one class of members, for approval by a resolution of members of a separate meeting of each class of members with voting shares.
- (6) Notice of each meeting referred to in subsection (5), shall be given and –
 - (a) shall be accompanied by –
 - (i) a copy or summary of the plan of demerger;
 - (ii) a copy of the proposed memorandum and articles of association for each demerged company, or a summary of the principal provisions of the memorandum and articles;
 - (iii) a statement of the material interests in the demerger of the directors of the demerging company and of the persons who shall become directors of the demerged companies; and
 - (iv) such further information a member would reasonably require to make an informed decision on the demerger; and
 - (b) shall contain sufficient information to alert members to their right to dissent to the demerger under section 83 of this Act.
- (7) A demerging company shall, from the date that notice of a meeting is given under subsection (6), make the plan of demerger and copies of the proposed memorandum and articles of each demerged company available for inspection free of charge by its members either electronically at any time or at its registered office during normal office hours.
- (8) A demerger is approved under this section when all of the resolutions required under subsection (5) have been passed in respect of the demerging company.
- (9) A demerger shall not be completed unless it is approved under this section.

79D. Pre-registration steps.

- (1) The demerging company shall apply, in writing to the Registrar to complete the demerger.

- (2) An application under subsection (1) shall be accompanied by –
- (a) a copy of the plan of demerger;
 - (b) a copy of –
 - (i) if the demerging company is to be a new company, its memorandum and articles and any other document required for the incorporation of a new company under this Act, or
 - (ii) if the demerging company is to be the surviving company, any amendment to its memorandum or articles provided for under section 79B(5);
 - (c) in respect of the demerging company, a copy of the resolution passed under section 79C(1), together with, a list identifying the directors who voted in favour of that resolution;
 - (d) a certificate, signed by each director, stating —
 - (i) that the director, and the demerging company of which he is a director, have complied with the requirements of this Act in respect of the demerger; and
 - (ii) that in the director's opinion there has been no material change to the position stated in the solvency statement; and
 - (e) the resolution of members whose shares carry voting rights passed under section 79C(5).
 - (f) any other document or information required by the Registrar to establish that the requirements of this subsection have been met.
- (3) The Registrar shall register notices of the demerger in accordance with section 79E if he is satisfied—
- (a) that the application complies with subsections (1) and (2); and
 - (b) if the plan of demerger provides for the demerging company to be a new company, that he would have registered the memorandum and articles of the company under this Act if it had been incorporated otherwise than by demerger.

79E. Registration of notices of demerger.

- (1) This section applies where the Registrar registers notices of a demerger under section 79D.

- (2) The completion date of a demerger is the date referenced in the certificate of demerger which shall be the date on which the last of the entries is made in the register pursuant to this section.
- (3) The Registrar shall enter in the register, in respect of a demerging company that is not the surviving company, a notice that states that the company has ceased to be incorporated as a separate company because it has demerged into the demerged companies specified in the notice.
- (4) If the demerging company is the surviving company, the Registrar shall enter in the register, in respect of that company, a notice that states that the company has demerged, and has been continued as the surviving company together with the new company or companies specified in the notice.
- (5) If the demerging company is a new company, the Registrar shall register the new company by –
 - (a) registering the memorandum and articles of the new company;
 - (b) issuing a certificate of its incorporation; and
 - (c) entering in the register, in respect of that new company, a notice that states that the new company is the result of a completed demerger of the demerging company specified in the notice.
- (6) In addition to the demerger fee payable in accordance with the First Schedule the fees payable under this Act in respect of the incorporation of a company shall be payable in respect of the incorporation of each new company.
- (7) Each entry on the register–
 - (a) shall include the completion date of the demerger to which it relates; and
 - (b) may include any further information that the Registrar considers useful in relation to the demerger.
- (8) In each case, the Registrar shall issue a certificate under his hand and seal certifying that the demerger has been registered.
- (9) A certificate of demerger issued by the Registrar shall be prima facie evidence of compliance with all the requirements of this Act in respect of the demerger.

79F. Effect of completion of demerger.

- (1) On the completion date of a demerger –

- (a) if the demerging company is the surviving company, the surviving company continues as a demerged company together with one or more demerged companies that are new companies; or
 - (b) if the demerging company is not the surviving company, the demerging company ceases to be incorporated as the original company and continues as two or more demerged companies that are new companies.
- (2) Subject to subsection (3), when a demerger is completed –
- (a) all property and rights to which the demerging company was vested in or entitled to immediately before the demerger was completed become the property and rights of the demerged companies in the parts stated in the plan of demerger under section 79B(8) or jointly in common in equal parts if not stated in the plan of demerger without such property and rights being deemed distributed or otherwise made available to the respective shareholders of the demerged companies;
 - (b) unless otherwise provided in the plan of demerger, the value of the property, rights, assets and liabilities vested in the demerged company or to which the demerged company is entitled shall have the same values assigned to such property, rights, assets and liabilities immediately prior to the demerger and the demerger shall not affect the value of the capital contribution made by the shareholder or the value of the shares in the demerged companies;
 - (c) unless otherwise provided in the plan of demerger, the shares of the demerging company shall convert into shares of the demerged companies in the proportions specified in the plan of demerger and such conversion shall not be deemed a redemption, transfer, or reissuance of shares in the demerging company or the demerged companies;
 - (d) the demerged companies become jointly and severally subject to all financial penalties which the demerging company was subject to immediately before the demerger was completed unless there is an order of the court to the contrary;

- (e) the demerged companies become subject to all civil liabilities and all contracts, debts and other obligations which the demerging company was subject to immediately before the demerger was completed in the parts stated in the plan of demerger under section 79B or jointly and severally if not stated in the plan of demerger; and
 - (f) all actions and other legal proceedings which, immediately before the demerger was completed, were pending by or against the demerging company may be continued by or against all or any of the demerged companies unless there is an order of the court to the contrary.
- (3) A licence held by a demerging company shall not be transferred to a demerged company on completion of the demerger unless with the permission of the authority that granted the licence.”.

4. Amendment of section 81 of the principal Act.

Section 81 of the principal Act is amended in subsection (1) by inserting immediately after the words “section 76” the words “or a dermerger under sections 79A,”.

5. Amendment of section 83 of the principal Act.

Section 83 of the principal Act is amended in subsection (1) —

- (a) in paragraph (d) by the deletion of the word “and”;
- (b) in paragraph (e) by the deletion of the fullstop and the substitution of the words “; and”;
- (c) by the insertion, immediately after paragraph (e), of the following new paragraph —
 - “(f) a demerger, pursuant to section 79A.”

6. Amendment of the principal Act to delete section 84C and substitute sections 84C, 84D and 84E.

The principal Act is amended by the deletion of 84C and the substitution of the following new sections 84C, 84D and 84E —

"84C. Conversion of an investment condominium to an international business company.

- (1) An investment condominium registered under the Investment Condominium Act (*Ch.369G*) may be converted to a company in the manner prescribed in this section.
- (2) The governing administrator of an investment condominium proposing to convert to and be incorporated as a company under this Act shall approve articles of conversion.
- (3) Notice of the conversion shall be given to all participants and articles of conversion shall also be approved by resolution of participants whose participation interests carry voting rights and the outstanding participation interests shall be entitled to vote as a class or series if the governing regulations so provide or if the articles of conversion contain any provisions that, if contained in a proposed amendment to the governing regulations would entitle the class or series to vote on the proposed amendment as a class or series.
- (4) The articles of conversion shall contain the following information—
 - (a) the name which the investment condominium shall operate as a company following conversion;
 - (b) the date on which the investment condominium was registered as an investment condominium under the Investment Condominium Act (*Ch.369G*);
 - (c) provisions detailing the basis upon which participation interests including classes and series of participation interests shall be converted to shares, debt obligations, or other securities in the company along with details of any rights attaching thereto;
 - (d) the names and designations of the proposed directors of the converted company;
 - (e) provisions for the valuation and accounting treatment of the assets and liabilities of the investment condominium and any retained earnings upon conversion;
 - (f) any additional terms and conditions of the conversion; and
 - (g) an annexed copy of the memorandum and articles of association containing the information prescribed in this Act.
- (5) The articles of conversion shall be submitted to the Registrar along with the prescribed fee within seven days of the date of approval of a plan of conversion.

- (6) In addition to any share certificates they may be entitled to receive by virtue of the Articles adopted on conversion, each shareholder and former participant shall be entitled to receive a confirmation issued by the directors of the company stating —
 - (a) the number of participation interests converted and the number of shares held by such shareholder;
 - (b) that the conversion of the investment condominium to a company has not affected the value of the capital contribution made by such former participant or the value of the newly converted shares in the converted company.
- (7) The conversion shall be evidenced by a certificate of conversion and incorporation issued by the Registrar indicating that the investment condominium has been converted to a company.
- (8) The investment condominium shall forthwith be struck off the Register of investment condominiums under the Investment Condominium Act (*Ch.369G*) and added to the register of companies maintained under this Act."

"84D. Effect of Conversion from an investment condominium to an international business company.

From the date of conversion specified in the certificate of conversion and incorporation —

- (a) the investment condominium to which the certificate relates shall cease to be an investment condominium registered under the Investment Condominium Act (*Ch.369G*) without dissolving or winding up;
- (b) the participation interests of the participants shall be converted in the manner indicated in the articles of conversion into shares in the company with all attendant rights of shareholders as indicated in the articles of conversion and the memorandum and articles of association annexed to the articles of conversion;
- (c) all of the assets and liabilities of the investment condominium including property of every description and choses in action, shall be vested in the company;
- (d) all participation interests in the company that were outstanding prior to the conversion shall be converted

- to shares in conformity with the articles of conversion, and this Act without transfer, redemption or reissue;
- (e) the shareholders in the converted company shall remain liable for the amount unpaid on any participation interest that remains unpaid at the time of conversion;
 - (f) no conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due and no cause existing against the investment condominium or any former officer, agent, governing administrator, or general administrator, is released or impaired by its conversion to a company incorporated under this Act.”.

84E. Continuation of an exempted limited partnership as an international business company.

- (1) An exempted limited partnership incorporated under the Exempted Limited Partnership Act (*Ch. 312*) may be continued as a company by the registration of the articles of continuation as specified in subsection (2).
- (2) The articles of continuation for an exempted limited partnership continuing as a company shall —
 - (a) be written in the English language;
 - (b) be approved by all of the partners of the exempted limited partnership;
 - (c) contain —
 - (i) the name of the exempted limited partnership and the name under which it is being continued;
 - (ii) the date on which it was registered;
 - (iii) the information required to be included in a Memorandum under section 13(1); and
 - (iv) the Memorandum and Articles that are to be effective upon the registration of the articles of continuation; and
 - (d) be accompanied by a copy of the Memorandum and Articles.
- (3) Upon the submission of the articles of continuation as described in subsection (2), the Registrar shall —
 - (a) retain a copy of and register the articles of continuation; and

- (b) issue a certificate of continuation under his hand and seal certifying that the exempted limited partnership has been continued as company.”.

7. Amendment of the First Schedule to the principal Act.

The First Schedule to the principal Act is amended by the insertion immediately after item 37 of the following—

“38.	Conversion under the International Business Companies Act from Exempted Limited Partnership Act (<i>Ch. 312</i>)	
	(Capitalized up to \$50,000)	\$700.00
	(Capitalized over \$50,000)	\$1000.00
39.	Conversion under the International Business Companies Act from Investment Condominium Act (<i>Ch.369G</i>)	
	(Capitalized up to \$50,000)	\$700.00
	(Capitalized over \$50,000)	\$1000.00
40.	Demerger of Company (up to \$50,000).....	\$600.00
41.	Demerger of Company (over to \$50,000)	\$800.00”.