

INVESTMENT FUNDS (AMENDMENT) BILL, 2011

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INVESTMENT FUNDS (AMENDMENT) BILL, 2011

**A BILL FOR AN ACT TO AMEND THE INVESTMENT FUNDS ACT TO
PROVIDE FOR THE MAINTENANCE OF ACCOUNTING RECORDS
AND FOR CONNECTED MATTERS**

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Investment Funds Act¹, may be cited as the Investment Funds (Amendment) Act, 2011.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice published in the Gazette.

2. Repeal and replacement of section 23 of the principal Act.

Section 23 of the principal Act is repealed and replaced by the following —

“23. Books and accounting records.

- (1) An investment fund shall cause reliable accounting records to be kept in relation to —
 - (a) all sums of money received and expended by the investment fund and the matter in respect of which such receipt and expenditure takes place, inclusive of all sales, purchases and other transactions;
 - (b) the assets and liabilities of the investment fund.
- (2) For the purposes of subsection (1), accounting records shall —
 - (a) correctly explain all transactions;
 - (b) enable the financial position of the investment fund to be determined with reasonable accuracy at any time;

¹(Ch. 369A)

- (c) allow financial statements to be prepared; and
 - (d) include the underlying documentation, including invoices, contracts and receipts, necessary to facilitate (a), (b) and (c).
- (3) Accounting records maintained pursuant to this section shall be kept for a minimum period of five years from the date of the transaction to which such records relate.”

OBJECTS AND REASONS

The purpose of the Bill is to remedy the deficiencies identified in the OECD Phase I Peer Review of The Bahamas by imposing express obligations on an investment fund to maintain reliable accounting records for a minimum period of five years.