

SEGREGATED ACCOUNTS COMPANIES (AMENDMENT) BILL, 2011

Arrangement of Sections

Section

1.	Short title and commencement.....	2
2.	Amendment of section 24 of the principal Act.....	2
3.	Amendment of section 50 of the principal Act.....	3

OBJECTS AND REASONS	4
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SEGREGATED ACCOUNTS COMPANIES (AMENDMENT) BILL, 2011

**A BILL FOR AN ACT TO AMEND THE SEGREGATED ACCOUNTS
COMPANIES 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 Segregated Accounts Companies Act¹, may be cited as the Segregated Accounts Companies (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. Amendment of section 24 of the principal Act.

Section 24 of the principal Act is amended by —

- (a) the re-numbering of subsection (2) as subsection (4); and
- (b) the insertion immediately after subsection (1) of the following subsections —

“(2) For the purposes of subsection (1), accounting records maintained shall —

- (a) correctly explain all transactions;
- (b) enable the financial position of the company to be determined with reasonable accuracy at any time;
- (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).

¹(Ch. 369C)

- (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.
- (4) A person who contravenes, or fails to comply with an obligation imposed by, this section commits an offence and shall be liable on summary conviction to a fine not exceeding fifty thousand dollars.”.

OBJECTS AND REASONS

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