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TECHNICAL ASSISTANCE REPORT - REVIEW OF REGULATIONS TO NEW SECURITIES ACT AND INVESTMENT FUNDS ACT

December 2022

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TECHNICAL ASSISTANCE REPORT

EASTERN CARIBBEAN CURRENCY UNION

Review of Regulations to New Securities Act and Investment Funds Act

September 2022

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GLOSSARY

ECCU	Eastern Caribbean Currency Union
ECSRC or Commission	Eastern Caribbean Securities Regulatory Commission
IFA	Investment Funds Act
IFR	Investment Funds Regulations
IOSCO	International Organization of Securities Commissions
MCM	Monetary and Capital Markets Department
MMoU	Multilateral Memorandum of Understanding
Monetary Council	Monetary Council established under Article 7 of the Eastern Caribbean Central Bank Agreement, 1983
Old Securities Act	Securities Act, 2001
Principles	IOSCO Objectives and Principles of Securities Regulation
SA	Securities Act
Service provider	Operator of an investment fund or its investment fund manager, investment fund administrator or custodian.
SR	Securities Regulations

PREFACE

At the request of the Eastern Caribbean Securities Regulatory Commission (ECSRC), a Monetary and Capital Markets (MCM) Department mission conducted a review of a draft version of the new Investment Funds Regulations (IFR) and Securities Regulations (SR) form May 20–June 30, 2022. The two sets of regulations are a key part of the new regime to govern the capital markets in the member territories of the Eastern Caribbean Currency Union (ECCU).

The review was conducted by Ms. Tanis MacLaren, MCM short-term expert, who met virtually with Ms. Alousia Faisal, Chief Executive Officer of the Commission, and Ms. Suzy St. Brice, Legal Officer. The mission wishes to thank them for their cooperation and productive discussions, and in particular to their remarkable responsiveness to questions.

EXECUTIVE SUMMARY

A new legislative framework is being implemented in the ECCU and the draft Regulations reviewed in this report are the final pieces of that framework. The new framework is to govern all aspects of the securities markets in the eight member territories of the ECCU. It consists of a new Securities Act (SA) and a separate Investment Funds Act (IFA) that would replace the old Securities Act, 2001 (Old Securities Act), and all other securities legislation in the member territories of ECCU.

In 2020, the Investment Funds Bill and Securities Bill proposed by the ECSRC were approved for enactment in the ECCU member countries by the Monetary Council. To date, the new Securities Bill has been enacted in five of the eight ECCU member countries while the Investment Funds Bill has been enacted in four of the member countries.[1] The ECSRC expects that the new legislations will be passed in the remaining countries during 2022. The general regulations under each Act (reviewed here) operationalize the new regime.

The draft regulations provided for review largely comply with the requirements of their respective Acts and would meet most of International Organization of Securities Commissions' (IOSCO) expectations for the necessary legal framework as set out in the Principles in the areas addressed. There were a few gaps that are noted below, such as gaps in the licensing requirements for investment fund service providers, reporting requirements for investment funds, and regulation of clearing facilities. Most of these were filled in consultation with the Commission during the review process and the changes are included in the revised drafts attached in the Appendices. The remaining gaps, such as a modern capital formula or the ability to waive delivery of client account statements, have been discussed with the ECSRC. There is a project ongoing to develop a new capital formula. Subject to those comments, it should be noted that while the overall legal regime does not specifically address all the topics addressed in the IOSCO Principles, it appears to be sufficient, given the level of development of the market in the ECCU. The legal framework has flexibility built in to deal with growth.

The principal challenge in the review was ensuring the investment funds and securities regimes worked together. Because the subject matters of the two Acts overlap, and some issuers and intermediaries potentially may get caught under both regimes, it was important to minimize the potential for duplicate requirements or conflict. However, this did entail some repetition across the two regimes to ensure equivalent requirements applied.

The output of the review is not publication ready yet. There are comments in the draft and this report that the Commission should consider. The forms need to be finished and transition provisions developed for the IFR. Further, although not strictly required, both sets of regulations would benefit from some simplifications and streamlining.

[1] See Appendix I.

Table 1. Key Recommendations

Recommendations and Authority Responsible for Implementation	Priority[2]	Timeframe[3]
The forms (and related requirements) in the SR and IFR must be completed and should be streamlined before they are published as part of the new regime (Commission).	H	ST
Transition provisions need to be added to the IFR to cover funds and service providers that were previously under the jurisdiction of a regulator in one of the ECCU member countries and now are to be governed by the Commission (Commission).	H	ST
The permission to waive delivery of account statements in the SR should be deleted. (Commission).	M	ST
Develop and include a common set of criteria for approval of foreign entrants under the IFR and SR (Commission).	M	ST
Disciplinary Committee Procedures		
Consideration should be given to consulting with local counsel on the proposed Disciplinary Committee procedures (Commission).	M	ST
Consider adding: discretionary authority regarding matters to be investigated; specific provisions on how notice is to be given; and extend some minimum notice periods to allow for more effective information exchanges.	M	ST
Capital Requirements		
Develop a suitable IOSCO-compliance set of capital requirements (Commission).	H	MT
Consideration should be given to approaching other regional regulators regarding joint work on capital requirements (Commission).	M	ST
Legislative Amendments		
Consideration should be given to amending the SA to expressly require announcements of material changes to be given immediately (Commission; Monetary Council).	M	MT
The IFA should be amended to eliminate the requirement in s. 28(1)(e) for the investment fund manager to have its principal and registered office in the ECCU.	H	ST

[2] H: high priority; M: medium priority.

[3] ST: short term: < 12 months; MT: medium term: 12 to 24 months.

I. Introduction and Background

1. **A new legislative framework is in the process of being implemented in the ECCU and the draft Regulations reviewed in this report are the final pieces of that framework**. The new framework is to govern all aspects of the securities markets in the eight member territories of the ECCU. It consists of a new SA and a separate IFA that would replace the Old Securities Act, and all other securities legislation in the member territories of ECCU. These two pieces of legislation are accompanied by changes to the Agreement establishing the ECSRC as made on November 24, 2000. The final parts of the new framework consist of the general regulations under each Act that to operationalize the new regime.

2. **In 2019, the Investment Funds Bill and Securities Bill proposed by the ECSRC, were approved for enactment in the ECCU member countries by the Monetary Council.** To date, the new Securities Bill has been enacted in five of the eight ECCU member countries while the Investment Funds Bill has been enacted in four of the member countries. The ECSRC expects that the new legislations will be passed in the remaining countries during 2022. In the meantime, the ECSRC Secretariat has been engaged in the development and review of the necessary Regulations to support the Bills.

3. **The most recent assistance in relation to SR to the ECSRC was provided by CARTAC in April 2021.** A virtual mission was delivered to assist with the initial drafting of the IFR, leaving a TA report with recommendations on how to address issues relating to lack of alignment with international standards as well as other necessary improvements, including on wording and consistency with the Bill. This mission reviewed whether those recommendations have been met and found they largely had been met or would be once the changes set out in the revised draft are made.[4] No assistance has been provided prior to this mission on the SR.

4. **The ECSRC requested the assistance of MCM to complete the drafting of its regulations.** This mission provided assistance to the ECSRC by reviewing the drafts of both regulations, and addressing the issues or gaps identified by making drafting changes as needed in consultation with the Commission.

5. **In addition to the above, the agreed scope of the review** was to:

- Review the proposed draft SR prepared by the ECSRC against
  i. the SA to ensure appropriate and consistent wording is used and full authority for the regulations is in place; and
  ii. the International Organization of Securities Commissions (IOSCO) Principles.

[4] See Appendix II.

- Review the draft Investment Funds regulation to ensure that previous recommendations on these regulations have been taken on board, as well as to ensure any necessary consistency with wording in the SR.
- Identify gaps, and/or weaknesses relating to structure/content of the draft regulations.
- Develop recommendations for changes, where necessary, and provide drafting assistance to address any gaps identified.

6. **This Report to the Commission consists of an overall review, amended drafts of the IFR, SR, and their forms.** The review sets out the overall results of the TA. The most important gaps and other issues that are present in the regulations are discussed. The appendices are listed in the table of contents but are attached as separate documents to preserve their blacklining. These appendices contain: the marked-up drafts of the IFR (including its forms) and SR with comments, substantive drafting changes, and some purely editorial changes (Appendix I and II); the amended and commented upon forms to the SR (Appendix III); and a blacklined list of the SR forms with comments (Appendix IV). The parts should be read in conjunction with each other.

7. **The package of materials is not publication ready yet.** There are comments in the draft and below that the Commission should consider. The forms must be completed and, ideally, streamlined.

II. Overall Assessment

8. **The draft regulations provided for review largely comply with the requirements of their respective Acts and would meet most of IOSCO's expectations for the necessary legal framework as set out in the Principles in the areas addressed.** There were a few gaps in both sets of regulations. In the IFR, these included missing aspects for licensing service providers and the material change requirements. In the SR the gaps included licensing of clearing facilities, capital for intermediaries, and conduct of business rules. Except where noted below, these have been filled in the drafts attached. If further guidance proves to be needed, it can be given via Commission-made rules or orders and wording is included to allow such additions. It should be noted that while the overall legal regime does not specifically address all the topics addressed in the Principles,[5] it appears to be sufficient, given the level of development of the market in the ECCU. The SA has flexibility built in to deal with growth.

9. **The SA provides the Minister with wide authority to issue regulations addressing the capital markets generally.** The legislation in s. 155 of the SA permits the Minister to make any regulations at the request of the Commission necessary or expedient to carry out the

[5] For example, there are no rules that apply specifically to derivatives markets, credit rating agencies or trade repositories, but the SA contains enough authority to act in these areas should that prove to be needed.

purposes of securities laws, which term includes both the IFA and SA. This is supplemented with equally wide authority for the Commission to make binding rules.

10. **The draft IFR is a significant improvement on the version reviewed in 2021.** It incorporates the recommendations made in the 2021 review, is more complete and more effectively organized. However, when viewed in the context of the SR, some gaps were evident, particularly with respect to the details of the licensing regime that would apply to investment fund service providers, that were not identified in the 2021 review. The missing details on licensing have been added.

11. **Many of the drafting changes made go to alignment of the language and requirements.** There were inconsistencies between the wording used in the Acts and that of their respective regulations and between the two sets of regulations. In some cases, similar requirements—such as what interim financial statements should consist of—varied within a set of regulations and some of these were not consistent with the standards set in the respective Acts. The appropriate changes have been made in the drafts attached.

12. **The overall regime could do with some further streamlining.** Several outdated or duplicative provisions have been deleted in both the SR and IFR. Both sets of regulations would benefit from some further simplifications and streamlining, particularly with respect to the required forms, before they are finalized. For example,

- the forms in both the IFR and SR were not complete, and the ones included contain a lot of overlap. For example, the same details are required to be included in several forms that likely would be filed at the same time, such as the discipline history of directors, senior officers or licensed representatives of intermediaries that appear in all the intermediary application, director form and individual licensing forms. A common set of discipline questions to be used in each application and only asking those questions once would be helpful to both the Commission and applicants;

- there are three separate provisions in the SR requiring filing of a reporting issuer's annual report, annual financial statements and Management Discussion and Analysis and a separate mandated form for each filing. The form used for filing on the Commission's electronic portal combine those into one document.

13. **Unfortunately, time did not allow for the streamlining of the forms to be done during the review**. Comments are noted in the draft forms, but a comprehensive rewrite of the forms was not undertaken. The Commission has a number of forms that it uses for its electronic portal that should be part of this review and streamlining process.

14. **It may be possible to sever most of the forms from the body of the regulations and carry out the streamlining separately.** In the interests of completing the regulations for publication as efficiently as possible, consideration might be given to severing many of the forms

from the body of the regulations and setting them by rule once rewritten. The SA is written to permit details to be added as prescribed, which term includes by regulations or rules. The IFA has several general references to compliance with criteria or requirements set out in IFR but only the requirements in s.10 on initial offering documents specifically talks about following the forms set by the IFR.

15. **The most significant issue was endeavoring to make the two regimes work together without conflict, unnecessarily imposing duplicate requirements or imposing disparate requirements on similar activities**. This primarily arose with investment funds and their service providers as funds are also securities under the SA and several types of service providers are also intermediaries under the SA. Funds potentially would be subject both to the disclosure requirements in the IFA and under the SA. Many service providers also would be subject to licensing requirements under both regimes. Selective exemptions have been added to reduce these duplications and overlap for these entities.

16. **There was one notable inconsistency between the IFA provisions and those in the IFR**. The IFA says investment fund managers have to have their principal and registered offices in one of the member countries in the ECCU (s.28(1)(e)). This is not a requirement for any other category of service provider to an investment fund. In fact, most of the other categories clearly contemplate the service provider may be located elsewhere. Further, the SR does not require a broker-dealer carrying on investment management activities (the equivalent licensing category in the SR) to have its principal office in the ECCU. The IFR allows foreign service providers for all categories and expressly would permit an investment fund manager to outsource some of its duties to foreign managers. Some jurisdictions require certain service providers to be locals to ensure direct regulatory control and promote local market participation, but no such goals were evident here. Ideally, the problematic paragraph in the IFA should be revised to simply require the manager to have a registered office in a member country. It may be possible to address this matter by inserting an exemption in the IFR from that particular paragraph, but the Commission expressed a desire to require applicants to approach them for an express exemption, if needed, so as to be better informed about what was going on in the market.

III. GAPS

A. Material Change Reporting

17. **The wording around publication and filing reports on material changes differ somewhat from IOSCO standards and between the IFR and SA.** Material change reports are required to be made immediately and in any case within seven days of the change under both the SA and IFR, although worded somewhat differently. In practice, that means it is likely that the first disclosure is likely to take place a week after the material change. In most other jurisdictions, the requirement to publish notice of the change is immediate, followed by the report to the regulators promptly thereafter. The issue here is that all material information about a reporting issuer/fund should be kept up to date and when anything material changes the public

should be informed promptly. If the opportunity is available to amend the SA, consideration should be given to requiring prompt/immediate announcements of material changes in a shorter period of time, perhaps expressly though the medium of the Commission's electronic portal, followed by the report in specified form within seven days thereafter. In the meantime, the IFR provision has been amended to more closely track that of the SA.

18. **Derogations from disclosure are permitted, but the reasons for delay differ**. Both the IFR and SA permit delays, subject to a Commission approval process, in public disclosure where immediate disclosure is viewed as being detrimental to the issuer concerned. This is in keeping with IOSCO expectations in Principle 16. However, the IFR provisions also allows an operator to request non-disclosure if the disclosure is 'unwarranted', which term is not defined. This is not consistent with the requirements elsewhere and has been deleted to track the SA provision.

B. Capital Requirements

19. **The capital requirements in both sets of Regulations need to be enhanced.** In common with many other countries in the region and many smaller countries elsewhere, the capital requirements for intermediaries and service providers under both the securities and investment fund regimes do not meet IOSCO expectations set out in Principle 30. The Regulations simply set minimum unimpaired paid-up capital amounts that vary based on the type of licensee. The requirements are not sensitive to the size and nature of the risks undertaken, nor do they include liquidity or solvency provisions, as IOSCO would expect. Fixing this gap was outside the scope of this project.

20. **The Commission is aware of this gap and is actively working on a solution**. Its efforts are hampered by the lack of suitable formulas elsewhere to learn from. IOSCO provides guidance on what a capital formula is supposed to address, but does not prescribe any particular formula. The two most commonly used capital rules in place in large countries (the Basel capital formula and the US net capital rule) are too complicated for the current market in the ECCU. In anticipation of developing a new set of requirements, appropriate flexibility has been incorporated into the regulations to allow for changes in the future. However, it should be noted that section 47 of the SA requires capital requirements to be set by Ministerial regulations.

21. **The Commission should consider efforts underway at other regulatory bodies**. The Securities Commission of the Bahamas recently published a proposed capital rule (based on one in use in Jersey) and I understand at least one other jurisdiction in the region is actively working on a new formula. The Commission might consider reaching out to its fellow regulators in the region to see if their experience might be of help in the Commission's efforts. A third possibility is the new EU prudential framework for investment firms introduced in 2021 that applies simpler requirements designed more specifically for smaller investment firms.[6]

[6] See https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/managing-risks-banks-and-financial-institutions/prudential-rules-investment-firms_en

22. **A new capital formula should incorporate suitably prompt capital reporting requirements.** IOSCO expects that the regulator receives reports of the capital adequacy of intermediaries of sufficient detail, format, frequency and timeliness to reveal a significant decline in the capital position of those intermediary (Principle 30, Key Question 6). Given the risk-insensitivity of the current requirements and the nascent nature of the markets, the SR annual reporting requirement, coupled with the obligation to report any breach of the capital requirements as set out in SR 61(2), is minimally sufficient. However, any new capital regime should include more regular and detailed reporting of capital positions.

C. Regulation of Marketplaces, Ancillary Facilities etc.

23. **The licensing obligations for clearing facilities was unclear**. Part I of SA was drafted requiring marketplaces (stock exchanges, alternative trading systems) and ancillary facilities (entities like transfer agents) to be licensed by the Commission. Part I says that the Commission may require clearing facilities and self-regulatory organizations to be licensed, at the Commission's discretion. The original draft of the SR only addressed licensing of marketplaces and ancillary facilities. However, practices elsewhere and international standards generally say clearing facilities should be subject to suitable regulation and oversight. Further, there is a clearing facility in the ECCU and it has been under the supervision of the Commission since its establishment. After discussions with the Commission, the regulations in this Part now require all three categories of entities to be licensed and subject supervision by the Commission.

D. Conduct of Business Rules

24. **The conduct of business rules in the SR meet most of the IOSCO expectations set out in Principle 31 with one exception.** The exception is that IOSCO requires statements of account to be sent to clients of an intermediary (See Principle 31, KQ 21). The SR allows the client to waive the receipt of these statements. While it may be a common practice in the region, it does leave a client at a substantial information deficit that can be exploited by an unethical intermediary. Further, without current account statements, it would be difficult for a client to prove ownership of assets if something goes wrong. It also begs the question of why someone does not want to receive even annual statements of account. To protect clients and comply with international standards, the Commission should delete the provision allowing a client to waive statement delivery.

E. Transition Provisions

25. **Unlike in the SR, the IFR contains no transition provisions.** These usually are included if the requirements under the new regime differ materially from the old and either existing authorized entities would need time to meet the new requirements, or people with formerly unregulated businesses have to be given time to apply for authorization under the new rules. In the case of the IFR, I understand that the Commission presently only has one licensed

investment fund, so it may be that transition provisions were not seen to be needed. However, as the Commission is assuming responsibility for all funds previously regulated by the individual member countries, each with their own set of requirements, there may be more needed to smooth the transition. Simply grandfathering the existing funds and their service providers is not an option that should be followed, as that essentially codifies an unlevel playing field for the funds and service providers and deprives the Commission of full information about those new-to-the-Commission funds.

IV. Not Strictly Required but Should be Considered

26. **There are also a few changes that might be considered for inclusion in the draft regulations.** These are not strictly required under the IOSCO Principles but appear in IOSCO reports and/or would make the requirements between the two sets of regulations match better.

A. Recognized Foreign Jurisdictions/Recognized Countries.

27. **The regimes for allowing foreign participants in the ECCU market vary between the SR and IFR.** Both regimes include provisions allowing non-ECCU companies to carry on certain activities in the ECCU without being subject to the full set of local requirements, provided their home jurisdiction and they meet specified criteria.

28. **The criteria for permitting a foreign issuer to access the ECCU market lacks rigor.** There are exceptions in the SA from the usual prospectus and continuing disclosure requirements for approved foreign issuers: those that are issuers in a recognized foreign jurisdiction and are listed on a recognized foreign securities exchange, provided they comply with their home jurisdiction's initial and continuing disclosure requirements and send the Commission and their CU investors the same materials as they send their home regulator and investors. No criteria for recognition are included in the SA or the SR. The SR simply states all IOSCO members in good standing are recognized foreign jurisdictions and all securities exchanges in those member countries are recognized foreign securities exchanges.

29. **The investment fund regime allows foreign entities access to the market but takes a different approach to recognition than that of the SA.** The IFR at Reg. 11 and 39 sets out some criteria for what would be considered an appropriate jurisdiction for authorization of a foreign investment fund or service provider. Essentially, the foreign jurisdiction's requirements should provide equivalent protection for ECCU investors as the local regime. The IFR (Reg. 64) also permits foreign intermediaries to act as outsourced service providers to funds and adds several criteria to the "equivalent regulation" one. In particular, it requires consideration of:

- the obligations imposed on that party by the foreign regulatory authority in its home jurisdiction with respect to the tasks it is to undertake for the investment fund;
- the on-going supervision of the person by the foreign regulatory authority;

- whether the Commission and the foreign regulatory authority are parties to an information sharing agreement.

30. **IOSCO published the Report on Cross Border Regulation[7] in 2015 that emphasized the need for the regulator to make individual recognition decisions.** These decisions should be made after assessing each country's regime and confirming there were adequate information sharing arrangements in place. The totality of the IFR requirements is consistent with the IOSCO recommendations. The wholesale recognition of all IOSCO members in the SR is not consistent. Given the sensitivity to information sharing capabilities in the region, the lack of a requirement for proper information sharing arrangements to be in place in the SR may be particularly troublesome. There are still IOSCO members that are not full signatories to the MMoU, including one in the region: Barbados. Several other regional jurisdictions lack equivalent requirements for public offerings. Consideration should be given to adopting a common standard across the two sets of regulations based on the IFR requirements for funds and service providers.

B. Conduct of Business Rules—Know the Product.

31. **There are no explicit "know the product" obligations in the SR.** The conduct of business rules set the usual know your client and suitability standards. However, there are no express 'know the product' requirements placed on intermediaries. These would oblige the intermediaries to conduct preliminary vetting of products to be offered to ensure they are appropriate to be sold, given the nature of the intermediary's clients. SR 98 hints at this standard as a licensed individual may not participate in transactions in securities not endorsed by their firm but does not place any obligation on the firm to have an endorsed list. Also, IFR 67 requires investment fund managers to do due diligence on products to be chosen for the managed funds. While know the product requirements have not yet been incorporated expressly into the IOSCO Principles, they have been discussed in the context of the sale of complex products to retail investors. Consideration should be given to either (a) incorporating an express requirement in the SR; or (b) if the Commission issues further rules or guidance on conduct of business matters, this should include know the product as a good business practice.

C. Disciplinary Proceedings

32. **The SR contain detailed requirements for the establishment and operation of a Disciplinary Committee to address breaches of the SA and IFA.** It also sets out the steps to be followed, time periods, notice requirements, etc. that will govern hearings and settlements. It is based on a set of rules in place in another jurisdiction in the region that were developed over several years. However, the practices governing civil procedure vary from jurisdiction to

[7] IOSCO Task Force Report on Cross-Border Regulation (2015) https://www.iosco.org/library/pubdocs/pdf/IOSCOPD507.pdf

jurisdiction. It might be worthwhile for the Commission to consult with one or more local litigators to ensure what is set out in this Part is in keeping with practices in the ECCU.

33. **Three matters in this Part raised particular concern:**

- Division 1, starting at Regulation 180, suggests that the Commission is bound to investigate any alleged breach of securities laws and every complaint that it received. No Commission has the staff resources to undertake that level of investigation. Consideration should be given to adding some language allowing the Commission to exercise its discretion on what matters will be investigated.
- The notice provisions throughout do not match those in the SA (see SA s. 140(10)) and vary across the relevant provisions. In at least one place, the original draft said notice can be given by posting a notice on the Commission's website, which may not be an effective way to ensure the parties are fully informed (see Reg. 201). This provision has been modified to match the requirements in the SA regarding the contents of the notice. It might be helpful to include a general provision addressing the acceptable methods of giving notice.
- The timing of certain obligations for delivery of materials prior to a hearing are quite tight and may not work in practice if the notice of hearing is issued with the minimum 30 days before the hearing date. That would leave just seven days to prepare, file and serve expert witness statements (due 21 days before the hearing). If it is a documentary hearing the first written submissions are due 21 days before the set date and any reply is due seven days later, in other words on the set date for the hearing. Consideration should be given to lengthening the minimum notice period for a hearing, perhaps to 45 days, to allow for everyone to better meet the exchange of information requirements.

V. Other Areas Where Rules/Guidance May Be Needed In Future

A. Performance Reporting

34. **Performance reporting often is an area of concern, particularly with retail investment funds**. There are several requirements in the IFR and the SR that apply to representations of the performance of securities or investment funds. (See for example SR 148.) These generally require that performance figures not contain misrepresentations, and either be explained or be capable of being proven; that is, having evidence to back up the numbers. However, in the absence of detailed guidance, independently reliable performance figures are the exception rather than the rule in many jurisdictions. This is especially true for the performance of retail investment funds where cherry picking performance periods and metrics often occurs. Given the nascent level of the development of retail investment funds industry in the ECCU, prescriptive standards in this area may not be needed immediately. As the market develops it

may be appropriate for the Commission to issue suitable guidance. The CFA Institute's Global Investment Performance Standards[8] are commonly cited standards to be followed.

VI. Final Remarks

35. **Once the Commission has decided on the changes proposed, all of the documents need to be comprehensively renumbered, and the cross references conformed**. The various cross references to the respective Acts were checked and updated as needed. However, before the draft Regulations are finalized, the cross references within each set of Regulations should be verified. In addition, the body of the IFR does not always make reference to the specific schedule that applies. The schedule cross references, while not absolutely required, are helpful to users of the material. Finally, the SR contained formatting that prevented making changes to the titles of Parts or to the table of contents. For the IFR there was no time to do the update.

[8] https://www.gipsstandards.org/

APPENDICES

Note: Appendices attached as separate documents

APPENDIX I. STATUS OF ENACTMENT OF NEW SECURITIES LAWS

APPENDIX II. IMPLEMENTATION OF MAJOR RECOMMENDATIONS FROM APRIL, 2021 REVIEW OF IFR

APPENDIX III. INVESTMENT FUNDS REGULATIONS AND FORMS

APPENDIX IV. SECURITIES REGULATIONS

APPENDIX V. SECURITIES FORMS

APPENDIX VI. LIST OF SECURITIES FORMS