



**AN ACT TO PROVIDE FOR THE LEGAL RECOGNITION OF ELECTRONIC
WRITING, ELECTRONIC CONTRACTS, ELECTRONIC SIGNATURES
AND ORIGINAL INFORMATION IN ELECTRONIC FORM IN
RELATION TO COMMERCIAL AND OTHER TRANSACTIONS AND
TO PROVIDE FOR THE FACILITATION OF ELECTRONIC
TRANSACTIONS AND RELATED MATTERS.**

Enacted by the Parliament of The Bahamas.

PART I

PRELIMINARY

- Short title and commence-
ment.
1. (1) This Act may be cited as the Electronic Communications and Transactions Act, 2003.
- (2) This Act shall come into operation on such day as the Minister may, by notice published in the Gazette, appoint.
- Interpre-
tation.
2. In this Act -
- “addressee” in relation to an electronic communication, means a person who is intended by the originator to receive the electronic communication, but does not include a person acting as an intermediary with respect to that electronic communication;
- “consumer” means an individual who obtains, through a transaction, products or services which are used primarily for personal, family, or household

purposes;

"e-commerce service provider" means a person who uses electronic means in providing goods and services;

"electronic" means relating to technology and having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities;

"electronic authentication" means any procedure employed for the purpose of verifying that an electronic communication is that of the originator and that it has not been altered during transmission;

"electronic agent" means a program, or other electronic or automated means that is used independently to initiate or respond to electronic communications or performances in whole or in part without review by an individual;

"electronic communication" means information which is communicated, processed, recorded, displayed, created, stored, generated, received or transmitted by electronic means;

"electronic signature" means any letters, characters, numbers, sound, process or symbols in electronic form attached to, or logically associated with information that is used by a signatory to indicate his intention to be bound by the content of that information;

"host" means a person who provides a service that consists of the storage in electronic form of information provided by another person;

"information" includes data, text, documents, images, sounds, codes, computer programs, software and databases;

"information processing system" means an electronic system for creating, generating, sending, receiving, recording, storing, displaying, or otherwise processing information;

"intermediary" with respect to an electronic communication, means a person including a host who on behalf of another person, sends, receives or stores either temporary or permanently that electronic communication or provides related services with respect to that electronic communication;

"Minister" means the Minister with responsibility for Electronic Commerce;

"originator" in relation to an electronic communication, means a person by whom, or on whose behalf, the electronic communication purports to have been sent or generated prior to storage, if any, but does not include a person acting as an intermediary with respect to that electronic communication;

"prescribed" means prescribed by regulations under section 24;

"public body" means any Ministry, agency, board, commission or other body of the Government and includes an entity or body established by law, or by arrangement of the Government or a Minister of the Government for a non-commercial public service purpose;

"record" means information that is inscribed, stored or otherwise fixed on a tangible medium or that is stored in an electronic, paper-based or other medium and is retrievable in visible form;

"security procedure" means a procedure, established by law or agreement or knowingly adopted by each party, that is employed for the purpose of verifying that an electronic signature, communication or performance is that of a particular person or for detecting changes or errors in content of an electronic communication;

"signed" or "signature" includes any symbol executed or adopted, or any methodology or procedure employed or adopted, by a person with the intention of authenticating a record, including electronic methods;

"transaction" means an action or set of actions relating to the conduct of business, consumer, or commercial affairs between two or more persons, including the sale, lease, exchange, licensing, or other disposition of personal property, including goods and intangibles, interest in real property, services, or any combination of the foregoing.

Crown to
be bound.

3. (1) This Act binds the Crown.

(2) Notwithstanding subsection (1), nothing in this Act obliges any public body to generate, send, receive, store or otherwise process any record by electronic means, but the Minister may, by notice published in the Gazette, indicate that a public body may receive and process electronic communications relating to such matters as may be specified in the notice.

Exclusions.

4. Part II shall not apply to any rule of law requiring writing or signatures for the following -

(a) the creation, execution, amendment, variation or revocation of -

(i) a will or testamentary

- instrument; or
- (ii) a trust;
- (b) the conveyance of real property or the transfer of any interest in real property;
- (c) court orders or notices, or official court documents required to be executed in connection with court proceedings;
- (d) enduring powers of attorney to the extent that they concern the financial affairs or personal care of an individual;
- (e) all other deeds and documents described in section 3 of the Registration of Records Act, not otherwise expressly provided for under this subsection.

Autonomy
of parties.

- 5. (1) Nothing in this Act shall -
 - (a) require any person to use or accept electronic communications, electronic signatures, or electronic contracts; or
 - (b) prohibit any person engaging in a transaction through the use of electronic means from -
 - (i) varying by agreement any provision relating to legal recognition and functional equivalency of electronic communications, signatures, and contracts specified in Part II; or
 - (ii) establishing reasonable requirements about the manner

in which electronic communications, electronic signatures or electronic forms of documents may be accepted.

(2) A transaction which has been conducted using electronic means shall not be denied legal effect, validity, or enforceability because of the type or method of electronic communication, electronic signature or electronic authentication selected by the parties.

Consumer consent to electronic communications.

6. Notwithstanding section 7, if a statutory or legal requirement exists for a record to be provided in writing to a consumer, such requirement for writing shall be satisfied by an electronic communication only if -

- (a) the consumer has expressly consented to such use and has not withdrawn his consent; and
- (b) prior to consenting, the consumer is provided with a clear and conspicuous statement informing the consumer -
 - (i) about the right to have the record provided in non-electric form;
 - (ii) about the right to withdraw consent to have the record provided in electronic form and of any conditions, consequences or fees in the event of such withdrawal;
 - (iii) whether the consent applies only to the particular transaction which gave rise to the obligation to provide the

- (iv) record, or to identified categories of records that may be provided during the course of the parties' relationship; of the hardware and software requirements for access to, and retention of, the relevant electronic record;
- (v) of the procedures for withdrawal of consent and to update information needed to contact the consumer electronically; and
- (vi) of the procedures, after consent has been given, for obtaining a paper copy of the electronic record and any fee to be charged in connection therewith.

PART II

LEGAL RECOGNITION AND FUNCTIONAL EQUIVALENCY OF ELECTRONIC COMMUNICATIONS, SIGNATURES, CONTRACTS AND RELATED MATTERS

Legal recog-
nition of
electronic
communi-
cations.

7. An electronic communication shall not be denied legal effect, validity, admissibility or enforceability solely on the ground that it is -
- (a) in electronic form; or
 - (b) not contained in the electronic communication purporting to give rise to such legal effect, but is referred to in

that electronic communication.

Writing.

8. (1) Where information is required by law either to be in writing or is described as being written, such requirement or description is met by an electronic communication if the information contained in the electronic communication is accessible to, and is capable of retention by, the intended recipient.

(2) Subsection (1) shall apply whether the requirement for the information to be in writing is in the form of an obligation or the law provides consequences if it is not in writing.

Signature.

9. (1) Where the law requires the signature of a person, that requirement is met in relation to an electronic communication if a method is used to identify that person and to indicate that the person intended to sign or otherwise adopt the information in the electronic communication.

(2) Subsection (1) shall apply whether the requirement for a signature is in the form of an obligation or the law provides consequences for the absence of a signature.

(3) An electronic signature may be proved in any manner, including by showing that a procedure existed by which it is necessary for a party, in order to proceed further with a transaction, to have executed a symbol or security procedure for the purpose of verifying that an electronic communication is that of such party.

Original form.

10. (1) Where information is required by law to be presented or retained in its original form, that requirement is met by an electronic communication if -

(a) there exists a reliable assurance as to the integrity of the information from

the time it was first generated in its final form as an electronic communication or otherwise; and

- (b) where it is required that information be presented, that information is capable of being accurately represented to the person to whom it is to be presented.

(2) Subsection (1) shall apply whether the requirement for the information to be presented or retained in its original form is in the form of an obligation or the law provides consequences if it is not presented or retained in its original form.

(3) For the purposes of subsection (1) (a) -

- (a) the criterion for assessing integrity is whether the information has remained complete and unaltered, apart from the addition of any endorsement and any change which arises in the normal course of communication, storage and display; and
- (b) the standard of reliability required is to be assessed in the light of the purpose for which the information was generated and all the relevant circumstances.

Retention of
electronic
communi-
cations.

11. (1) Where certain documents, records or information are required by law to be retained, that requirement is met by retaining electronic communications if the following conditions are satisfied -

- (a) the information contained in the electronic communication is accessible so as to be usable for subsequent

reference;

- (b) the electronic communication is retained in the format in which it was generated, sent or received, or in a format which can be demonstrated to represent accurately the information generated, sent or received; and
- (c) any information that enables the identification of the origin and destination of an electronic communication and the date and time when it was sent or received is retained.

(2) An obligation to retain documents, records or information in accordance with subsection (1) shall not extend to any information the sole purpose of which is to enable the message to be sent or received.

(3) A person may satisfy the requirement referred to in subsection (1) by using the services of any other person, if the conditions set out in subsection (1) (a), (b) and (c) are met.

(4) Nothing in this section shall preclude any public body from specifying additional requirements for the retention of electronic communications that are subject to the jurisdiction of such public body.

Admissi-
bility and
evidential
weight of
electronic
communi-
cations.

12. (1) In any legal proceedings, nothing in the rules of evidence shall apply so as to deny the admissibility of an electronic communication in evidence solely on the ground that it is in electronic form.

(2) Information in the form of an electronic communication will be given due evidential weight and in assessing the evidential weight of an electronic communication, regard shall be had to -

- (a) the reliability of the manner in which the electronic communication was generated, stored or transmitted;
- (b) the reliability of the manner in which the integrity of the information was maintained;
- (c) the manner in which the originator was identified; and
- (d) any other relevant factor.

No.15 1996. (3) This section shall not affect the application of sections 61 and 67 of the Evidence Act (which relates to the admissibility of documents produced by computers).

Formation 13. In the context of formation of contracts, and validity unless otherwise agreed by the parties, an offer and of contracts. the acceptance of an offer may be expressed by means of electronic communications.

Attribution 14. (1) An electronic communication is attributable of electronic to a person if the electronic communication resulted from communi- the action of the person, acting in person, by his agent, or cations. by his electronic agent device.

(2) Attribution may be proven in any manner, including by showing the efficacy of any security procedure applied to determine the person to whom the electronic communication was attributable.

(3) An addressee is not entitled to regard the electronic communication received as being what the originator intended to send where the addressee knew or ought reasonably to have known, had he exercised reasonable care or used an agreed procedure, that the transmission resulted in any error in the electronic communication as received.

(4) Nothing in this section affects the law of

agency or the law on the formation of contracts.

Acknowledge-
ment of
receipt of
electronic
communi-
cations.

15. (1) Where the originator of an electronic communication has stated that the electronic communication is conditional upon receipt of an acknowledgement -

- (a) the electronic communication is to be treated as though it had never been sent until the acknowledgement is received;
- (b) if there is no agreement between the originator and the addressee as to the particular form or method of the acknowledgement to be given, the addressee may give an acknowledgement by any means of communication automated or otherwise or by any conduct that is reasonably sufficient to indicate to the originator that the electronic communication has been received.

(2) Where the originator indicates that receipt of an electronic communication is required to be acknowledged but has not stated that the electronic communication is conditional on receipt of the acknowledgement, and the acknowledgement has not been received by the originator within the time specified or agreed or, if no time has been specified or agreed, within a reasonable time, the originator -

- (a) may give notice to the addressee stating that no acknowledgement has been received and specifying a reasonable time by which the acknowledgement must be received; and
- (b) if the acknowledgement is not received

within the time specified in paragraph (a), may, upon notice to the addressee, treat the electronic communication as though it had never been sent or exercise any other rights the originator may have.

(3) Where the received acknowledgement states that the related electronic communication met technical requirements, either agreed upon or set forth in applicable standards, it is presumed that those requirements have been met.

(4) Except in so far as it relates to the sending or receipt of the electronic record, this section is not intended to deal with the legal consequences that may flow either from that electronic communication or from the acknowledgement of its receipt.

Notarisation.

16. Where any statutory or legal requirement exists for a document to be notarised, verified, or made under oath, that requirement is met if the electronic signature of the person authorised to perform those acts, together with all other information required to be included by other applicable statute, regulation, or rule of law, is attached to or logically associated with the signature or record.

Delivery,
etc.

17. (1) Where information is required by law to be delivered, dispatched, given or sent to, or to be served on, a person, that requirement is met by doing so in the form of an electronic communication provided that the originator of the electronic communication states that the receipt of the electronic communication is to be acknowledged and the addressee has acknowledged its receipt.

(2) Subsection (1) applies whether the

requirement for delivery, dispatch, giving, sending or serving is in the form of an obligation or the law provides consequences for the information not being delivered, dispatched, given, sent or served.

(3) Subject to section 5, the dispatch of an electronic communication occurs when it enters an information processing system outside the control of the originator.

(4) Subject to section 5, the time of receipt of an electronic communication is determined as follows -

- (a) where the addressee has designated an information processing system for the purpose of receiving electronic communications, receipt occurs -
 - (i) at the time when the electronic communication enters the designated information processing system;
or
 - (ii) if the electronic communication is sent to an information processing system of the addressee that is not the designated information processing system, at the time when the electronic communication comes to the attention of the addressee;
- (b) where the addressee has not designated an information processing system, receipt is deemed to have occurred on the earlier happening of -

- (i) the time at which the electronic communication enters an information processing system of the addressee; or
- (ii) otherwise comes to the attention of the addressee.

(5) Subsection (4) shall apply notwithstanding that the place where the information processing system is located may be different from the place where the electronic communication is deemed to be received under subsection (6).

(6) Unless otherwise agreed between the originator and the addressee, an electronic communication is deemed to be dispatched at the place where the originator has his place of business, and is deemed to be received at the place where the addressee has his place of business.

(7) For the purposes of subsection (6) -

- (a) if the originator or the addressee has more than one place of business, the place of business is that which has the closest relationship to the transaction to which the electronic communication relates or, where there is no such transaction, the place of business is presumed to be the principal place of business; or
- (b) if the originator or the addressee does not have a place of business, it is presumed to be where the originator or the addressee ordinarily resides.

Copyright.

18. (1) The generation of an electronic form of a document for the purposes of this Part does not constitute

an infringement of the copyright in a work or other subject matter embodied in the document.

(2) The production, by means of an electronic communication, of an electronic form of a document for the purposes of this Part does not constitute an infringement of the copyright in a work or other subject matter embodied in the document.

PART III
INTERMEDIARIES AND E-COMMERCE SERVICE PROVIDERS

Liability
of interme-
diaries.

19. (1) An intermediary shall not be subject to any civil or criminal liability in respect of third-party information contained in an electronic communication for which such intermediary is only providing access and he -

- (a) has no actual knowledge that the information gives rise to civil or criminal liability;
- (b) is not aware of any facts or circumstances from which the likelihood of civil or criminal liability in respect of the information ought reasonably to have been known; or
- (c) follows the procedure set out in section 20 if the intermediary -
 - (i) acquires knowledge that the information gives rise to civil or criminal liability;
or
 - (ii) becomes aware of facts or circumstances from which the

likelihood of civil or criminal liability in respect of the information ought reasonably to have been known.

(2) An intermediary shall not be required to monitor any information contained in an electronic communication in respect of which the intermediary provides services in order to establish knowledge of, or to become aware of, facts or circumstances to determine whether or not the information gives rise to civil or criminal liability.

(3) Nothing in this section shall relieve an intermediary from complying with any court order, injunction, writ, Ministerial direction, regulatory requirement, or contractual obligation in respect of an electronic communication.

(4) For the purposes of this section -
"provides access", in relation to third-party information, means the provision of the necessary technical means by which third-party information may be accessed and includes the automatic and temporary storage of the third-party information for the purpose of providing access;

"third-party information" means information of which the intermediary is not the originator.

Procedure
for dealing
with
unlawful,
defamatory,
etc.
information.

20. (1) If an intermediary has actual knowledge that the information in an electronic communication gives rise to civil or criminal liability, as soon as practicable thereafter the intermediary shall -

(a) remove the information from any information processing system within the intermediary's control and cease to provide or offer to provide services in

respect of that information; and

- (b) notify the police of the relevant facts and of the identity of the person for whom the intermediary was supplying services in respect of the information, if the identity of that person is known to the intermediary.

(2) If an intermediary is aware of facts or circumstances from which the likelihood of civil or criminal liability in respect of the information in an electronic communication ought reasonably to have been known, as soon as practicable thereafter the intermediary shall -

- (a) follow the relevant procedure set out in any code of conduct that is applicable to such intermediary under section 21; or
- (b) notify the police and the Minister.

(3) Upon being notified in respect of any information under subsection (2), the Minister may direct the intermediary to -

- (a) remove the electronic communication from any information processing system within the control of the intermediary; and
- (b) cease to provide services to the person to whom the intermediary was supplying services in respect of that electronic communication.

(4) An intermediary shall not be liable, whether in contract, tort, under statute or pursuant to any other right, to any person, including any person on whose behalf the intermediary provides services in respect of information in an electronic communication, for any action the

intermediary takes in good faith in exercise of the powers conferred by, or as directed by the Minister under, this section.

Codes of
conduct and
standards
for inter-
mediaries
and
e-commerce
service
providers.

21. (1) If a code of conduct is approved or a standard is appointed by the Minister under this section to apply to intermediaries or e-commerce service providers, those intermediaries or e-commerce service providers shall comply with such code of conduct or standard.

(2) An intermediary or e-commerce service provider who fails to comply with an approved code of conduct or appointed standard, shall in the first instance be given a written warning by the Minister and the Minister may direct that person to cease and desist or otherwise to correct his practices, and, if that person fails to do so within such period as may be specified in the direction, he commits an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars and if the offence is a continuing one to a further fine of five hundred dollars for each day the offence continues.

(3) If the Minister is satisfied that a body or organization represents intermediaries or e-commerce service providers, the Minister may, by notice given to the body or organization, request the body or organization to -

- (a) develop a code of conduct that applies to intermediaries or e-commerce service providers and that deals with one or more specified matters relating to the provision of services by those intermediaries or e-commerce service providers; and
- (b) provide a copy of that code of conduct to the Minister within such time as may

be specified in the request.

(4) If the Minister is satisfied with the code of conduct provided under subsection (3), the Minister shall approve the code of conduct by notice published in the Gazette and thereupon the code of conduct will apply to intermediaries or e-commerce service providers as the case may be, as may be specified in the notice.

(5) If the Minister is satisfied that -

(a) no body or organization represents intermediaries or e-commerce service providers; or

(b) a body or organization to which notice is given under subsection (3) has not complied with the request of the Minister under that subsection,

the Minister may, by notice published in the Gazette, appoint a standard that applies to intermediaries or e-commerce service providers.

(6) If the Minister has approved a code of conduct or appointed a standard that applies to intermediaries or e-commerce service providers and -

(a) the Minister receives notice from a body or organization representing intermediaries or e-commerce service providers of proposals to amend the code of conduct or standard; or

(b) the Minister no longer considers that the code of conduct or standard is appropriate,

the Minister may, by notice published in the Gazette, revoke or amend any existing code of conduct or standard.

(7) References in this section to intermediaries

or e-commerce service providers include reference to a particular class of intermediary or e-commerce service provider.

PART IV

E-COMMERCE ADVISORY BOARD

E-Commerce
Advisory
Board.

22. (1) There shall be a board to be known as the "E-Commerce Advisory Board" for the purpose of providing advice to the Minister on matters connected with the discharge of his functions under this Act and the development of e-commerce and the information and communications technology sector generally.

(2) The Minister shall appoint the members of the Board by notice published in the Gazette.

(3) The Board shall consist of not less than five or more than nine persons appearing to the Minister to be knowledgeable about electronic commerce, information technology, communications, finance education, law or international business.

(4) The Minister shall designate one of the persons appointed a member under subsection (2) to be the chairman of the Board.

(5) The Board shall determine its own procedure.

(6) The persons appointed under subsection (2) shall hold office for such period and on such terms as may be determined by the Minister.

(7) The function of the Board is to advise the Minister on any matter referred to it by the Minister or which, of its own initiative, the Board considers appropriate.

PART V
GENERAL

General provisions as to prosecutions under the Act.

23. (1) Where a body corporate commits an offence under this Act or regulations made hereunder, every person who at the time of the commission of the offence was a director, officer, general manager, chief executive officer, managing director of the corporation, or a person purporting to act in any such capacity commits the like offence unless he proves that the contravention took place without his consent or that he exercised all due diligence to prevent the commission of the offence.

(2) Unless otherwise expressly provided for under this Act and regulations made pursuant thereto, the penalty for conviction of an offence under this Act shall be -

- (a) on summary conviction, to a fine not exceeding three thousand dollars or to imprisonment for twelve months, or to both;
- (b) on conviction on information, to a fine not exceeding one hundred thousand dollars or to imprisonment for ten years, or to both.

Regulations.

24. (1) The Minister may make regulations -
- (a) for the purpose of establishing how electronic documents may be signed and verified;
 - (b) respecting the use, import and export of encryption technology, encryption programs, or other encryption products;
 - (c) for the purpose of authorising,

prohibiting or regulating the use of the .bs domain name or any successor domain name for The Bahamas;

- (d) prescribing for the purposes of the registration of the .bs domain name or any successor domain name for The Bahamas -
 - (i) designated registration authorities;
 - (ii) the form of registration;
 - (iii) the period when registration stays in force;
 - (iv) the manner, the terms and the period for renewal of registration;
 - (v) the circumstances and manner in which registration may be granted, renewed or refused by the registration authorities;
 - (vi) the appeal process;
 - (vii) the fees to be paid on the grant or renewal of registration and the time and manner they are to be paid; and
 - (viii) such other matters relating to the registration of domain names;
- (e) generally for the better carrying out of the provisions of this Act.

Ch. 2. (2) Notwithstanding section 25(e) of the Interpretation and General Clauses Act, a person who

contravenes or fails to comply with a regulation made pursuant to subsection (1) is liable on summary conviction to a fine not exceeding one thousand dollars.

(3) Regulations made under this section are subject to the affirmative resolution of Parliament.

(4) The term "affirmative resolution" as used in this section means that the regulations shall not come into operation unless and until affirmed by a resolution of each House of Parliament.