

The Bahamas

Looking Forward



As 2009 draws to a close, it is important to focus on prospects for 2010.

Sector Strategy

To be certain, The Bahamas continues to focus on being a high quality destination for owners of capital. In fact, this year saw the refinement by the government and private sector of their shared vision for the way forward: “To be a globally competitive international business centre for private wealth management, capital investment in the Americas and emerging markets, and residency”. This vision brings to bear the unique strengths of The Bahamas:

1. Our history as a trusted partner for the international business community and families worldwide, due in large part to the outstanding record of political stability, progress and stewardship, status as an independent territory providing an efficient basis of common law, and the longstanding commitment and continuity of its people and government to the industry and their clients.
2. Our ideal location at the cross roads of the Americas in a time zone that is convenient for most of the major centres in the Americas.
3. Our physical resources of land, premises and fit-for-purpose infrastructure all located in one of the most idyllic settings in the world.

Arising from its long-standing investment in people, policies and the environment, The Bahamas will continue to be a leader in financial services and domiciliation/residency.

G20/OECD Standard of Transparency and Tax Information Exchange

The transformation of the global economy has not left The Bahamas’ financial services industry unchanged. With ten tax information exchange agreements signed, and another two of the already initialed agreements scheduled to be signed in the coming weeks, The Bahamas aims to meet the OECD Standard well in advance of the G20 deadline of March 2010. We are expecting this process, aligned with global trends, to continue with the tabling in parliament of legislation to bring the agreements signed in 2009 into force and a series of TIEAs being negotiated over the coming years. BFSB believes the decision to endorse the OECD Standard reinforces The Bahamas’ unwavering commitment to be a trusted jurisdiction for clients and to be a responsible member of the international community.



G20/OECD Standard of Transparency and Tax Information Exchange (*continued*)

The Bahamas remains strongly committed to the principle that persons have a right to privacy with respect to the conduct of their affairs. Moreover, respect for the rule of law always has been fundamental to the success and strength of the financial services industry in The Bahamas. As such, clients can be assured that The Bahamas will only exchange information on agreed and transparent protocols. All of the agreements signed by The Bahamas are in accordance with the OECD standard as reflected in its model TIEA and Article 26. As such, the basis on which The Bahamas will cooperate with countries is the same as those countries that adopted Article 26. In particular, through the agreements, The Bahamas commits to cooperate only upon requests where specific information is provided. This requirement for specific information is critical in furtherance to The Bahamas' stated position to prevent so called "fishing expeditions".

In the 2002 Bahamas-United States of America TIEA similar arrangements which limit the exchange of information to specific requests that meet predefined criteria were agreed. These arrangements, which have been in place over the last six years, have been respected by the United States and The Bahamas. Likewise, legislation that gave effect to The Bahamas-United States of America TIEA continued to preserve client confidentiality by denying any request (1) that is outside of agreed arrangements and procedures, (2) where insufficient evidence is provided to support the request for information, so called "fishing expeditions", or (3) where conditions are not agreed for stipulated safeguards of the information. BFSB expects the enabling legislation for the new TIEAs will provide the same safeguards. These arrangements will allow The Bahamas' international financial sector to continue to develop in an environment that adheres to internationally agreed standards.

The Way Forward

Over a decade ago, the OECD sought to have The Bahamas implement its standard for transparency and tax cooperation. The Bahamas' response to the OECD standard was to insist that all countries implement the same standard at the same time as The Bahamas. As 2009 draws to a close, The Bahamas continues to fulfill its commitment to clients and the OECD, as the OECD standard is being implemented in all major countries providing financial services to a global clientele.

We expect 2010 to continue to be one of transition as the global economy and the financial services industry adjusts to the new paradigm, and the financial centers continue their journey towards a level playing field. BFSB remains unequivocally engaged in the pursuit of an ever-improving platform for owners of capital to conduct their international business, to manage their private wealth and to make The Bahamas their home.