

FOR IMMEDIATE RELEASE

Broad Industry Support for Bahamas OECD Position

Nassau, Bahamas – March 26, 2009: The Bahamas Financial Services Board (BFSB) supports the decision by the Government of The Bahamas to endorse and negotiate appropriate arrangements to meet the standards for transparency and effective exchange of information now endorsed by all OECD¹ Members and non-OECD member jurisdictions who are principal competitors in the provision of cross border financial services.

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.

The Bahamas remains strongly committed to the principle that persons have a right to privacy with respect to the conduct of their affairs. This right, set out in the United Nations Charter Article 17, provides for the right of every person to be protected against arbitrary or unlawful interference with his/her privacy, family, home or correspondence, as well as against unlawful attacks on his/her honour and reputation. The charter provides everyone with the right to the protection of the law against such interference or attacks. The Bahamas supports this legitimate right to confidentiality through its common law, Data Protection (Privacy of Personal Information) Act, 2003 and various legislative provisions.

Respect for the rule of law has always 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. These protocols, as established under the tax information exchange agreement with the United States and recognized by the OECD, preserve the traditional confidentiality extended to those engaged in legitimate business. Legislative and administrative regimes in The Bahamas have, and will continue to have, respect for the privacy of our clients and will preserve banking confidentiality. The Bahamas has demonstrated that as a sovereign nation it is an active contributor to the discussion on a range of global matters and that it is determined to act in a responsible manner. The Bahamas' commitment to the transparency and information exchange standards of the OECD in 2002 was conditioned upon and subject to there being a level playing field. Since this time, The Bahamas has been an active participant in the Global Forum and its various subcommittees.

The Bahamas notes the recent announcements by, inter alia, Switzerland, Luxembourg, Singapore and Hong Kong, and is now prepared to negotiate and conclude suitable arrangements. These arrangements, as respected by the United States in its 2002 agreement with The Bahamas, will limit the exchange of information to specific requests that meet predefined criteria. Legislation will continue to preserve client confidentiality by denying any

¹ *Organisation for Economic Co-operation and Development (OECD)*

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. These arrangements will allow The Bahamas’ international financial sector to continue to develop in an environment that adheres to internationally agreed standards.

The insistence of the government on clarity and unequivocal language with respect to a level playing field, particularly as it relates to timelines and standards, was strongly supported by industry in 2002. Likewise the industry now supports the decision of the government, in conjunction with the governments of other major financial centres, to agree to endorse the OECD standards on transparency and effective exchange of information through defined and agreed protocols.

This decision will serve to reinforce the respect for personal privacy and the use of appropriate means for cooperation among countries. We believe this is in the best interest of clients and the international financial services industry of The Bahamas.

- end -