JURISDICTIONAL & SECTOR DEVELOPMENTS
- Finance Takes on Responsibility for Financial Services
- Bahamas AML Update
- Bahamas Family Offices
- Step and the Politics of Offshore Financial Centres

PROFESSIONAL BRIEFS
- The Evolution of Compliance
- Bahamas Institute of Chartered Accountants on the Move

LEGISLATIVE DEVELOPMENTS
- Key Highlights of Private Trust Companies Legislation

INDUSTRY REGULATION & SUPERVISION
- Central Bank of the Bahamas
- Securities Commission of the Bahamas

INDUSTRY SNAPSHOTS: PEOPLE POWER

2007 BFSB ANNUAL REPORT
- Industry at a Glance
- Focus on BFSB Activities

BFSB MEMBERS
To facilitate a primary mandate relating to the development of the financial services sector, BFSB utilises its broad membership base, working through a structure of more than 25 standing committees and ad hoc working groups. In addition, it serves as a member of the Ministry of Finance’s Technical Working Group. The highlights below showcase some key activities and developments impacting the sector, representing only a portion of the extensive range of activities and projects undertaken throughout the course of the year.

JANUARY
- Financial Regulatory Bills passed in Parliament
- Central Bank of The Bahamas amends Eligible Introducer Rules
- BFSB’s BCP Working Group launches Survey on National Recovery Centre
- Private Trust Company Legislation Gazetted
- CBB Guidance on Non Independent Executive Directors released for Input
- Financial Intelligence Unit (FIU) releases AML/CFT Guidelines for Industry Input
- OECD releases the terms of reference for its project on the role of tax intermediaries within tax systems
- 2007 Bahamas Financial Services Retreat – Four Seasons Resort at Emerald Bay, Great Exuma
- BFSB Member Bulletins on International Tax and Trade Agreements
- GAIM USA 2007, largest N.A. gathering for hedge fund managers – Boca Raton, Florida. BFSB exhibits
- US Senate Bill S-396 – Treatment of CFCs in Tax Havens
- Credit Suisse, Nassau Branch becomes latest BIX Sponsor Member for Mutual Funds Listing Facility
- Securities Commission provides Guidance on Reporting Requirements for SMART Funds
- Bahamas Maritime Authority (BMA) offers scholarships at California Maritime Academy

FEBRUARY
- BFSB publishes BFSR Vol. 7
- Nassau Conference 2007 – British Colonial Hilton Hotel, Nassau
- Rhode Island State Partnership Programme. BFSB Participates
- OECD modifies Model Tax Convention
- IDB Mission to The Bahamas – BFS Technical Cooperation Grant
- Central Bank’s Consultation Paper PU26-0606 on Data Protection (Privacy of Information) Act
- Use of BFSB Logo Policy Statement released
- Input on CBB Guidance on Non Independent Executive Directors
- Ministry of Finance presents on Bahamas Government Online (BGOL) to BFSB’s E-Business Working Group
- FATF revises its Methodology for Assessing Compliance with the FATF 40 + 9 Recommendations
- US Senate Bill 681 – Restricting Offshore Tax Havens & Abusive Tax Shelters
- Places in the Sun OFC Report – The Economist
- Grand Bahama Business Outlook Hosted by The Counsellors Ltd.
- OECD releases a new report on “Improving the Resolution of Tax Treaty Disputes”
- BFSB presents at 2007 Anti-Money Laundering Audit & Compliance Forum – San Francisco
- Texas Briefing Visit
- The International Association of Insurance Supervisors (AIS) announces a new Corporate Governance Task Force
- The EU appoints a Counter-Terrorism Coordinator and releases its Counter-Terrorism Strategy
- PwC launches Global Private Banking/Wealth Management Survey 2007
- Credit & Operation Seminar (Basel II) hosted by BICA and BFS

MARCH
- STEP and BFS co-host Wealth Management Planning Seminar, Nassau
- Technical Working Group (TWG) Meetings on Services and Investments In EPA Negotiations – Barbados. BFSB Participates
- The British Government announces a new anti-money laundering and terrorist finance strategy
- Central Bank releases Consultative Paper on MTBs (non bank)
- Final draft Foundations (Amendment) Act 2007 presented to MFSI by BFSB co-ordinated Working Group
- The Bahamas Telecommunications Company Limited (BTC) introduces GPRS roaming service for Blackberry
- Columbus Communications CEO announces that The Bahamas has “the highest rate of broadband Internet penetration in the world, per 100 people”
- Financial Stability Forum (FSF) hosts semi-annual Plenary. Notes progress by several OFCs in improving compliance with international standards, including cross-border cooperation and information exchange
- BFSB European Briefing Visits & Presentations – Policy & Legislative Updates
- 2007 International Narcotics Control Strategy Report (INCSR) released by US Department of State
- Financial Intelligence Unit (FIU) releases 2007 AML/CFT Guidelines
- International Media Outreach - Global Assets Online, Euromoney Yearbooks, The Press Tribune, Newsweek Magazine

APRIL
- BFSB and Bahamas Chamber co-host EU Economic Partnership Agreement (“EPA”) Briefing
- Bahamas Data Commissioner appointed – under Data Protection (Privacy of Information) Act
- BFSB hosts Economic Impact Assessment (EIA) Member & Media Briefing
- BFSB launches EU EPA Survey
- BFSB Online Newsletter (Vol. 1.7) published
- Ministry of Financial Services & Investments (MFSI) sponsors Private Trust Companies (PTC) Seminar
- OECD issues interim report on its Role of Tax Intermediaries project
- Central Bank releases Amended Requirements for Resident/Temporary Resident Signatories on Foreign Currency Accounts of Non-Residents
- Ministry of Labour & Financial Services supports FSI Impact Study released by BFSB
- Community Corner WAW Feature launched - part of BFSB’s Domestic Outreach Programme
- The International Monetary Fund (IMF) issues Working Paper (WP/07/87) on “The Concept of Offshore Financial Centers: In Search of an Operational Definition”
- Central Bank of The Bahamas publishes Guidance Notice on Sections 6 & 7 of BTCRA Act
- Central Bank of The Bahamas publishes revised Business Continuity Guidelines for Licensees
- United Nations Office on Drugs and Crime (UNODC) calls on Member States to develop a coherent Blueprint for Crime Control, “to save the world from the threat of organized crime”
- BFSB CEO presents to Administrative Professionals – Preparing for Global Advancement
- IMF releases World Economic Outlook (WEO); the Global Financial Stability Report (GFSR), and the 2007 Regional Economic Outlook for the Western Hemisphere
- International Media Outreach – IFC Yearbook, Lipper HedgeWorld, WorldCheck

MAY
- Central Bank hosts Caribbean Group of Bank Supervisors Annual Plenary Sessions. BFSB Participates
- Central Bank updates Guidelines for BTCA Licensees on the matter of Exchange Control annual approval for Temporary Residents - extended to related companies
- The Rt. Hon. H.A. Ingraham reads the Oath of Office and is sworn in as Prime Minister; new Ministers appointed
- Hon. Zhivargo Laing appointed Minister of State in the Ministry of Finance, with responsibility for financial services sector
- H.E. Arthur D. Hanna, Governor-General, presents “Speech from the Throne” as Parliament Opens
- The U.S. Departments of Treasury, Justice, and Homeland Security jointly release the 2007 National Money Laundering Strategy
- OECD/Other Present to US Senate Finance Committee on Offshore Tax Evasion
- Central Bank releases Independent Non Executive Directors (INED) Guidelines
- MGI Global Wealth Conference – Nassau. BFSB Sponsors
- BFS Week of Seminars – BFS Nassau. BFSB Sponsors
- United Nations provides an update on its Global Counter-Terrorism Strategy
- BICA Business Continuity & Estate Planning Seminar – BFSB’s BCP Working Group presents on National Recovery Centre
- 2007 STEP Caribbean Conference – Cayman Islands
- BASD Annual General Meeting
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The Bahamas Financial Services Board recognised almost from its inception that human resource development was a key factor in the growth and development of the number two industry in this jurisdiction. Hence, in 2000 it published the BFSB Careers Guide to profile job opportunities in the financial services sector and shortly afterwards launched the Financial Centre initiative, a key component of which was a school outreach programme. The initiative has included the annual Careers Fest, Financial Services Student of the Year and the Financial Services Industry Excellence Awards programmes – all geared to encouraging new industry entrants.

As we enter our 10th year of operation in 2008, BFSB is even more aware and focused on the challenges that face international financial centres in today’s global economy. The proliferation of IFCs has continued apace, notwithstanding past projections that technology would signify the demise of such operations. Instead, technological developments, together with mobility of capital and global deregulation, have resulted in ongoing growth. Interconnectivity, for example, has played a major role in the surge of transactions between financial centres. New entrants into the market, combined with the constantly evolving premier service providers, have meant that competition has become keener, however.

Countless studies undertaken within the sector – locally, regionally and internationally – point to key challenges that impact the competitive advantage in the delivery of international financial services. Brand differentiation is a major factor, as are enhanced customer relationships and compliance with international best practices – but the thread that runs through these and other key factors is a skilled workforce. Without a doubt, talent represents the most powerful competitive lever in the global knowledge economy. According to the UK’s Economic and Social Research Council (ESRC) ‘economic success increasingly is based upon the effective utilisation of intangible assets such as knowledge, skills and innovative potential as the key resource for competitive advantage.’ Similarly, from a corporate perspective, some 80% of the market value in Standard and Poor’s 500 index is allocated to intangible assets. Increasingly, that value is a measure of human capital in the form of strategic knowledge, versatility, creativity and execution ability in the workforce.

In looking at strategic development for the sector, BFSB has acknowledged that human capital development and management represent a critical component; hence, its plans for a skills set analysis, looking at labour trends in financial services, determining what is needed to enhance the local environment and promoting necessary training.

Training and work force preparedness will continue to be a primary focus of BFSB’s work programme going forward. We acknowledge that an educated workforce is critical to increasing productivity and fostering innovation, but also firmly believe in the principle that the educated person of the future will be one who has the capacity to continually learn new concepts and modes of operation throughout his or her life.

The financial sector is a major factor in determining growth performance in any economy, and The Bahamas is no exception. The 2007 Oxford Economics study confirmed what we knew already in terms of the sector’s significant contribution to GDP and the indirect and induced benefits to the overall economy. BFSB remains cognizant that there are fundamental differences between economic growth and economic development, but maintains that the sector’s continued significant contribution to GDP is an important component of the latter. It has committed through the public private sector partnership that has been a hallmark of its existence to ensure economic development for the benefit of all Bahamians.

Competitive advantage will mean thriving, successful centres increasingly will take business away from rival centres, and there are many proponents of the belief that the world will get by with a smaller number of financial centres in the future – some say perhaps one in each time zone. BFSB is committed to the goal of ensuring that The Bahamas Financial Centre remains a participant.

The Bahamas Financial Services Review (BFSR) provides industry updates written by industry participants, and also serves to communicate information about BFSB and its activities. We extend appreciation to member firms which have contributed to the production of Vol. 9 through editorial input and advertising support. We invite you to visit www.bfsb-bahamas.com for information on other BFSB publications.
Finance Takes on Responsibility for Financial Services

The Ingraham Administration that came into power following the May National Elections pledged to ensure that the financial services sector remains “attractive, internationally competitive and adequately regulated”. When the new slate of Ministries was announced shortly after the elections, Prime Minister the Rt. Hon. Hubert Ingraham said the Ministry of Finance would resume responsibility for promotion of financial services and relations with the Bahamas Financial Services Board. Regulation of the sector always has been under the mandate of the Finance Ministry.

Subsequent announcements from the Government confirmed that a primary responsibility of the Ministry of Finance would be to maintain The Bahamas’ premier position as a financial services centre. Another principal task would be to expand and diversify the Bahamian economy. In fact, the broad role of the Ministry encompasses areas such as economic development & planning, banks & trust companies, insurance, regulation and promotion of electronic commerce - and relations with the Securities Commission, the Financial Intelligence Unit, the Inspector of Financial and Corporate Service Providers, and the Compliance Commission of the Bahamas.

The Prime Minister himself assumed responsibility as Minister of Finance, with the Hon. Zhivargo Laing selected as Minister of State for Finance. Responsibilities under the Office of the Prime Minister include the promotion and facilitation of Investment and the National Economic Council and Investment Board. Commenting on the synergy of the appointments, Minister Laing says, “All of the legal authority from matters relating to financial services and investments rests in either the Minister of Finance or the Prime Minister. For instance, you can’t have an investment approved except that the previous Minister of Financial Services and Minister responsible for investment. ‘Now all the matters related to financial services rest in the Ministry of Finance. So you have removed gaps. You now have a consolidation of all of those things in one ministry,” Mr. Laing said.

The Government has acknowledged the significant contribution of the financial services sector to the Bahamian economy. Speaking to a Bahamas Institute of Financial Services seminar mid year, Minister Laing says, “It is worth noting that the per capita income of this sector is many times that of the national per capita income of the country.” Referencing the level of the employed workforce within the financial sector, he points out that, generally, the height of prosperity The Bahamas has achieved is a function of the output of its employed workforce.

An economic impact assessment commissioned by BFSB last year confirmed that the financial services industry plays a vital role in supporting economic growth and employment in The Bahamas, “oiling the wheels of other industrial sectors, encouraging investment and improving the quality of that investment, providing a secure home for savings and access to capital markets for firms and households alike, as well as providing high paying job opportunities for Bahamians.” Considering its full range of impacts, approximately 27% of Bahamian GDP is attributable to the financial services industry, making it the second most important industry in The Bahamas, after tourism. Financial services impacts support approximately 22,000 jobs in The Bahamas, representing some 13% of total employment.

Financial Services Unit

A Financial Services Industry Focus Team has been established within the Ministry of Finance to pursue the Government’s objectives relating to regulatory and business developments within the sector. BFSB has undertaken to be the point of contact for the Team, and to coordinate consultation with the private sector. Specifically, BFSB facilitates the participation of the various industry associations and related administrative tasks associated with this coordinating role.

Monthly Technical Working Group meetings have been initiated by the Team. Meetings to date have focussed on (a) designing a process for ongoing, effective and sustained consultations between BFSB and the Ministry; and (b) technical working sessions covering issues that are horizontal in nature – e.g. regulatory matters including reform, cross-border tax cooperation, infrastructure, marketing strategy, product development, trade facilitation – and other issues that require national policy positions.

The team is lead by Rowena Bethel. As Legal Advisor, Mrs. Bethel has a long history of responsibility for financial services industry matters within the Ministry of Finance, and was intimately involved and knowledgeable about the new legislative and regulatory environment introduced in 2000. Her particular focus has been on the multinational agencies vis-à-vis their pursuit of both tax and regulatory matters. She also serves as a Commissioner of the Bahamas Compliance Commission. The rest of the team comprises: Joy Jibrilu, Legal Advisor for Regulatory Policy and Business Development; Garry Russell, LLB, LLM, World Trade Specialist and Simon...
Wilson, Director of Economic Planning. FSI Team Advisors are Ruth Millar, Financial Secretary and William Allen, a former Minister of Finance.

Wendy Warren, BFSB’s CEO & Executive Director, points out that the competitive and global nature of financial services requires that financial services be treated as a business. To facilitate discussions with the Ministry, BFSB has identified a number of matters that it would like to see on the agenda of the consultative sessions. Through the annual Bahamas Financial Retreats, BFSB has a current and comprehensive list of matters relative to the financial services industry. Broadly, these comprise regulatory reform, external policy matters relating to the financial services industry and product development.

There will be an emphasis on the development of impact assessments on selected issues to ensure that all facts are considered by the relevant stakeholders – both public and private – as these matters make their way through the consultative and policy development phases.

It is anticipated that the technical working sessions will also provide the opportunity for sub-sector issues of interest to be addressed and, accordingly, the counterpart private sector Working Group coordinated by BFSB includes representation across sectors: accounting, banking and trust, insurance, investment funds and securities.

### MINISTRY OF FINANCE - AREAS OF RESPONSIBILITIES

#### (I) MINISTRY OF FINANCE
- Economic Development & Planning
- Government Finance and Borrowing
- Central Bank of The Bahamas
- Bahamas Development Bank
- Relations with the Bank of The Bahamas
- Bank and Trust Companies
- Insurance (excluding National Insurance and National Health Insurance)
- Relations with the Securities Commission
- Post Office Savings Bank
- Spirits and Beer Manufacturing
- Auctions
- Treasure Trove

#### (II) CUSTOMS DEPARTMENT
- Revenue

#### (III) TREASURY DEPARTMENT
- Budgetary Planning and Control
- Relations with The Bahamas Telecommunications Company
- Relations with the New Providence Licensing Authority
- Business Licences and Valuations
- Small Business Loan Guarantee
- Tourism Development Loan Guarantee Scheme
- Regulations and Promotion of Financial Services
- Regulation and Promotion of Electronic Commerce
- Relations with The Bahamas Financial Services Board
- Industries Encouragement Act
- Hotels Encouragement Act
- International Trade (COTONOU, NAFTA, EU/ACP, WTO, FTAA)
- Relations with the Financial Intelligence Unit
- Relations with the Inspector of Financial and Corporate Service Providers
- Relations with the Compliance Commission
- Data Protection

#### (IV) DEPARTMENT OF STATISTICS
- National Statistics
- Retail Price Index

#### (V) DEPARTMENT OF PUBLIC SERVICE
- Pensions and Gratuities
- Office Accommodation
- Public Sector Reform

### KEY CONTACTS:
- **Hon. Zhivargo Laing**, Minister of State for Finance
- **Ruth Millar**, Financial Secretary
- **Ehurd Cunningham**, Secretary of Revenue
- **Rowena Bethel**, Legal Advisor
The Bahamas Financial Services Board (BFSB) consistently has expressed the view that the country’s financial services sector is proactive in adopting and implementing the international standards of Anti-Money Laundering and Counter Terrorism Financing (“AML/CFT”) that are applicable to its environment. The CFATF Report supports this view. This view is also supported by the head offices of institutions with subsidiaries or branches in The Bahamas which have indicated that compliance and corporate governance standards in The Bahamas are as vigorous, or in many cases more vigorous, than what is required by OECD home country regulators.

The CFATF Report, issued in 2007, and based on a comprehensive analysis of the Bahamian environment up to mid 2006, reaffirms the attention given by government and regulators to formalized AML/CFT policies and instruments to assure implementation.

The industry’s confidence that the post 2000 rules are being uniformly and consistently adopted is based on the vigour with which regulators are applying adherence to compliance and corporate governance requirements and the negative impact of non-compliance to practitioners.

Industry attention to compliance is underscored by:

- Budgetary increases by institutions in the areas of compliance and corporate governance, including increased staffing levels in these areas;
- Larger training budgets and an increased number of conferences in the jurisdiction focusing on, or including, sessions on compliance and corporate governance; and
- Growth in the number of members of the Bahamas Association of Compliance Officers, a private sector organization, which promotes the certification of its member compliance professionals with international principles in relation to global compliance best practices and standards.

This is the third CFATF evaluation of The Bahamas in addition to an IMF evaluation in 2002. The 2002 evaluation by the IMF confirmed The Bahamas had made substantial progress towards the development of an effective regulatory regime, reflected not only in legislation but also in the structural and operational arrangements implemented, and that the progress made by the Central Bank of The Bahamas and the Securities Commission has been impressive. These evaluations are important exercises for the country; just as internal or external audits are for a company.

We fully anticipate that dialogue with the government and regulators on AML/CFT matters, whether identified in the CFATF report, the National AML/CFT strategy being led by the FIU, or through other initiatives, will continue. This dialogue should lead to continued improvements that further buttress The Bahamas’ leadership both in compliance and the delivery of financial services.

In Australia, I fought off a Great White with my bare hands. Second toughest thing I’ve ever done.

It’s safe to say that the pursuit of a CFA charter is beyond challenging. The coursework involves a rigorous, three-level program that’s recognized as the gold standard in investment management. If you pass the exams, you’ll have the expertise to take real control of your professional career. That’s because “CFA” isn’t just something that follows your name. It’s something that builds a following. To read real charterholder stories, visit www.cfainstitute.org/cfaprogram, or call +1.434.951.5499 for more information.
The pace of change in the past 10 to 15 years has been unprecedented and nowhere has this been more visible than in the creation of tremendous personal wealth across the globe. Many of today’s high net worth are younger self made individuals, faced with an increasing number of threats to their financial well-being. Added to the more traditional threats of confiscatory taxes, volatile economies, spendthrift children and political uncertainties, they also face the problems inherent in the development of fiscal complexity and technology.

This new generation of multi-millionaires is sticking with the structure of the Family Office for wealth management, albeit in a more modern form. They are mirroring the behaviour of institutional investors, following a structured process and looking for integrated solutions. Many ultra wealthy families are creating 100 year plans, with well thought out mission statements and corporate governance structures. The focus is now on the investment of assets, disciplined charitable giving and facilitating family education.

These trends have not escaped service providers in The Bahamas. Here solutions which allow wealthy persons to “follow their money” have attracted a significant number of persons looking for a neutral place to preserve and grow wealth. It has been said that Lyford Cay at the Western end of New Providence is home to the largest number of billionaires per square foot in the world, although I have no statistical proof of this comment!

What is the measure? When is a Family Office appropriate?

Historically, financial service providers recommended single-family offices only to families with assets over $200 million. According to some analysts, families in this category can save some $1.5 million by not outsourcing their wealth management.

However, families with less than $200 million have plenty of options, including multi-client family offices, in which banks create a separate, personalized division for select clients.

The entire mix of these options can be found in The Bahamas, even though the total number is difficult to quantify.

THE RESPONSIBILITIES OF A FAMILY OFFICE

Non-fiscal Matters

Family Offices established in The Bahamas typically provide a certain amount of traditional pampering and this is a natural progression for many private bankers, trained to cater to the personal needs of the wealthy.

Consider the planning required to purchase and to maintain the tools of the mega wealthy: aircrafts, boats, houses, cars, race horses, art, wine collections and numerous other assets in several parts of the world. The tax implications and the method of ownership of these items must also be considered.

Estate And Income Tax Planning

A very important aspect of the Family Office is to assist with planning for the devolution of assets from one generation to another in a prudent, practical manner. The Family Office Manager will ordinarily be very active in coordinating the advice of tax, legal and accounting professionals in order to achieve succession and estate plan objectives.

Discussing the estate plan objectives with the typical family of significant wealth can be a most difficult task. Will assets be distributed equally or not, outright or in trust to each of their children? One must take into account important issues such as: planning for disabled family members; guardianship of children or incapacity; protecting assets from creditors; distributing tangible assets to family members; and charitable giving.

Financial Planning and Management

One of the most common functions of the Family Office is the definition and execution of investment goals. This involves the formulation of time horizons, risk profiles, asset allocation and the choosing and monitoring of managers. Financial reporting in a Family Office often will include the review, recording and distilling of the reports of a number of brokers and managers. Many of the larger accounting firms and global banks now offer consultancy and coordination of reporting from multiple wealth managers and brokers – downloading information electronically and providing tailored reports including performance information and cash flow analysis.

Technology plays an increasingly important role in this activity, facilitating the electronic download of reports, automatic price feeds, reconciliation etc.

The Bahamas has made great progress in this arena with improved communications and with a new breed of technology savvy youngsters who call a laptop their office.

WHERE SHOULD ONE LOCATE A FAMILY OFFICE

A decision regarding the location of the Family Office is a critical one. Some considerations:

- Where are the main tangible assets held and will the main activities revolve around financial asset management. Are the business interests mobile of fixed?

- Progress in world travel, communications and technology. This facilitates the use of an offshore virtual Family Office – sometimes in the form of a private trust company.-

- What office procedures and controls are required and what is the infrastructure (e.g. airports, communications and high end services)? The Bahamas as a leading financial centre has been quite successful in marrying the twin pillars of high end tourism and private wealth management services. Examples are provisions for private jet service, world class restaurants and resorts, ship registry, educated workforce, an abundance of accounting and legal services and, in recent years, the acquisition of second languages by our youth.

Tax neutrality, tax treaties and trade agreements play a role in choosing Family Office locations. The Bahamas has hosted a number of Family Offices for those with global household names who

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Family Offices in The Bahamas
...continued from page 5

have chosen to take advantage of these factors in recent decades. * Regulatory and compliance obligations are always a consideration.

Exchange of information and access to information. Wealthy families are increasingly sensitive about the confidentiality of their affairs.

Many families obtain residency status in The Bahamas either to provide oversight for a virtual Family Office or to establish a fully staffed Family Office here. The Bahamas is at the back door of the United States and facilitates the travel of those “globe trotters” who need a neutral tax base which they can call home. The Government of The Bahamas adopted accommodating policies for the granting of residency permits for homeowners and investors alike.

BANKS AND FAMILY OFFICES

Driven by competitive pressures and the greater complexity of the lives of wealthy people, banks in The Bahamas and elsewhere now offer Family Office services to their clients. This reflects the goal of maintaining customer loyalty while also helping clients to increase their wealth in a more complicated financial and social landscape.

However, an inherent conflict exists in the provision of this service as well as in-house investment products. Increasingly, banks & trust companies are being selected to either provide trusteeships and totally independent, objective advice for clients or investment products – not both!

The provision of Family Office Services through a public bank can be a good marriage but the degree and complexity of service to be off loaded on the bank will vary with family circumstances.

PRIVATE TRUST COMPANIES

A mid-point solution growing in popularity is to use an overlay philosophy of a Private Trust Company.

Independent trustees may face difficult legal and fiscal issues in ceding any significant degree of control to the family due to ever increasing regulatory control and litigation fever. The answer may lie in the creation of a special purpose company, often referred to as Private Trust Company, which can be tailor-made for a particular client and which can be influenced, owned and/or controlled by one or more members of the family.

Below, we take a quick look at the advantages and disadvantages of this structure.

Private with a Purpose

The Private Trust Company can be owned by an individual outright, through nominee arrangements, or by another company.

More often than not, one of the large factors impacting offshore planning involving a Private Trust Company is confidentiality and therefore the client should not own the company outright. Many families face the dilemma associated with politically unstable countries where there is fear of kidnapping, confiscation or expropriation.

A plan to achieve all of the benefits of the Private Trust Company without the ownership concerns is the Purpose Trust which can be created for the “purpose of incorporating, acquiring and dealing with the shares in the Private Trust Company”, with no named beneficiaries. This entity may be perpetual and can provide for an enforcer of the Trust. Usually a licensed Trust Company is appointed to serve as Trustee.

BAHAMAS VEHICLES TOOLBOX

The Bahamas has grown quite an extensive toolbox for the building of those services required by a Family Office. Legislation providing International Business Companies, Trusts, Funds, Private Trust Companies and Foundations has been fine tuned over the last decade to respond to the requirements of the world’s wealthy.

Suffice it to say that I have seen Family Offices in The Bahamas use all of these tools on occasions. Selection of the building blocks takes into account the complexity of residency, tax and other issues.

Prerequisites for the establishment of virtual Family Offices include the need to have full protection and light regulation. The Bahamas responded with Private Trust Company Legislation in 2007 which allows the operation of the Private Trust Company without licence requirements but with the oversight of a Registered Representative.

Foundations are a relatively new tool for the Bahamas and can be used for estate planning, preservation of wealth, perpetuation of a corporate governance philosophy, protection against forced heirship, providing creditor protection and providing for charitable objectives. It is also sometimes used as an alternative to a purpose trust for owning a private trust company.

The discussion here will have established that in most families with mega wealth, the cloth is too big to provide for a single cut and a variety of solutions is often required. The Bahamas continues to expand the tools available to tailor-make those solutions and to respond to ever changing financial and family landscapes. ✪

Betty A. Roberts currently serves as President & CEO of First Trust Bank Limited, Lyford Cay, Bahamas.

A former CEO & Managing Director of 5G Hambros Bank & Trust (Bahamas) Limited (formerly Coutts & Co), Mrs. Roberts has spent over 30 years in the Private Banking Industry. She is a Fellow of the Chartered Institute of Bankers, London and a member of The Society of Trust and Estate Practitioners (STEP).

Mrs. Roberts has always been an active participant in the various bodies which support the professional development of the Banking Community in The Bahamas, serving from time to time the Bahamas Financial Services Board, the Bahamas Branch of STEP, the Association of International Banks and Trust Companies in The Bahamas and the Financial Services Consultative Forum.

She currently serves on the Board of a number of Financial Institutions in The Bahamas, is a Director of the Lyford Cay Foundation, a Director and avid supporter of the Christian Counselling Centre and Treasurer of the Bahamas Branch of the International Women’s Forum.

Jurisdictional & Sector Developments
STEP and the Politics of OFCs
BY KEITH JOHNSTON - Director of Policy and Communications
Society of Trust and Estate Practitioners (STEP)

STEP is committed to developing and maintaining professional standards of competence and integrity. As the global educator for the private client wealth management profession, our education program extends to public policy work – or lobbying – of stakeholders, bodies and institutions which affect the working environment of our members in International Finance Centres, including The Bahamas.

STEP seeks a positive legal, tax, judicial, economic and regulatory environment for family assets and holding structures. We do this primarily through fostering a better understanding of the effect and benefits of responsible management and transmission of family assets. Whilst STEP is not party political, we do comment on matters in the public eye and in the public interest. We are careful that STEP representations are not special pleading. We work exclusively on behalf of members and in the public interest. We recognise that jurisdictions have the right to determine their own tax and regulatory policies and that therefore attracting capital, professional business or personnel through tax competition is healthy.

Policy Focus 2008

The policy focus in 2008 will continue to be on regulation and the transparency of legal arrangements and entities. This will involve influencing the initiatives of the OECD, FATF, and the EU which seek transparency and keeping abreast of developments in the US.

Transparency should be read from the point of view of the Governmental authorities. A transparent entity or arrangement is one where relevant information can be obtained by the authorities.

Readers will no doubt be aware that the Organisation for Economic Co-operation and Development launched a program in 1998 to require non-member states to provide information to its member states for tax enforcement purposes.

The OECD’s goals include:

- enhanced “transparency” in the collection and tracking of financial data (STEP members are the primary professionals active in the businesses which generate this data); and
- the provision of ownership and financial data to OECD countries.

It may surprise some that the OECD has also expressed the promotion of tax competition as one of its principal goals. STEP advocates the free movement of capital, tolerance for diversity in the design of taxing regimes, and fair opportunities for all countries, large and small, to provide international financial services through lowering barriers to trade.

The Financial Action Task Force (FATF) is an intergovernmental body whose purpose is the development and promotion of policies to combat money laundering. Its recommendations are based on the principles that:

- Financial institution secrecy laws should be conceived so as not to inhibit implementation of these recommendations; and
- An effective money laundering enforcement program should include increased multilateral cooperation and mutual legal assistance in money laundering investigations and pursuit and extradition in money laundering cases, where possible.

So, authorities want the relevant information on an arrangement or entity made available to them. That information might include customer due diligence and the legal documents. Such information can be held automatically by the authorities (via a register) or, more commonly, can be held by regulated or unregulated intermediaries and passed to the authorities when requested.

What will international initiatives bring to The Bahamas in 2008?

High-tax authorities also want information to be available across borders. Complex financial crime can take place across borders to frustrate the exchange of incriminating information. These matters are dealt with through bi-lateral tax treaties and exchange of information agreements. STEP seeks, wherever possible, to improve the environment for its members when such agreements are being drawn up.

DTAs and Bilateral Tax Information Exchange Agreements

Many small finance centres are now signing tax information exchange agreements (TIEAs). In 2007 alone, 12 TIEAs were signed including:

- one between Bermuda and the UK,
- 7 agreements between the Isle of Man and the Nordic countries,
- Jersey with the Netherlands and
- Australia with the Netherlands Antilles and
- Antigua and Barbuda.

Small finance centres require reduction of trade and tax barriers contemporaneously with the conclusion of TIEAs in order to flourish in a global world. What are these barriers, and how should they be addressed?

(i) Regulatory Barriers

Regulatory barriers which prevent small centres from offering insurance, mutual funds, pension funds and other financial services require attention. However, many of these barriers appear within a trading block (such as the EU or NAFTA), and so addressing these restrictions often requires multilateral action. It is often difficult to address discrimination requiring multilateral action in bilateral negotiations (small finance centre and OECD country).

(ii) Tax Barriers

Tax barriers are the key area where current restrictions on fair and open competition should be reduced. Double taxation conventions are agreements between two countries which lower tax barriers to investment between the two countries (e.g. through reduced levels of non-resident withholding tax). Such agreements also invariably provide for some level of exchange of information in order to facilitate tax collection and enforcement in the countries to the treaty.

A TIEA provides only for the provision of information for tax enforcement purposes, without the other elements which facilitate tax-efficient trade between the countries. Small
finance centres typically have high indirect taxation but low or no direct taxation and accordingly have less need for information to conduct income and capital tax enforcement than OECD states. Accordingly, a simple TIEA generally only gives the high tax country what it desires (i.e. tax data for local enforcement purposes) without enhancing tax diversity or the free movement of capital.

The Commonwealth Secretariat has recently noted that:

The stand-alone tax information exchange agreement (TIEA), does not afford small and developing countries the same economic advantages as are offered to more geopolitically influential countries which are able to use the conventional double taxation conventions (DTCs) as their mechanism for the exchange of information. The net effect of this limitation to TIEAs is the exclusion of small and developing countries from the treaty network; this puts them at an economic disadvantage and creates an ‘uneven playing field’ for competition in the global financial services sector. ¹

We share the view of the Commonwealth Secretariat and suggest that small finance centres should incur the competitive and resource costs of providing tax enforcement data only where the OECD counterparty is prepared, contemporaneously, to:

• drop all discriminatory measures based on blacklists premised on non-objective criteria; ²
• drop all exclusionary measures in tax codes based on a perceived absence of transparency such as denial of expenses incurred in transactions with listed countries. (Once tax information exchange is agreed, there is no further basis for discriminatory treatment based on such a lack of transparency); and
• reduce non-resident withholding taxes in the fashion normally provided by a double tax agreement.

STEP understands the imperatives that drive the need for the exchange of information for law and tax enforcement purposes, it encourages small centres to ensure that this is done in the context of agreements that normalise economic relations and reduce non-resident withholding tax rates. STEP encourages any small finance centre contemplating a TIEA which does not include substantive and contemporaneous reductions in trade and tax barriers to consider the possible adverse implications for its economy and potential for participation in global financial services.

The OECD has indicated that it is prepared to be ‘more inclusive’ with its ‘participating partners’. Equity and good economic policy require that OECD countries put this commitment into practice and remove regulatory and tax barriers to promote free and fair trade for all.

The EU AML Whitelist/Blacklist

In 2008 the EU will seek to export its regulatory standards through so-called “whitelisters”. The EU’s Third Money laundering Directive is being implemented in EU members states and this requires Customer Due Diligence (CDD) on settlors and beneficiaries as well as ongoing due diligence. The directive allows CDD to be accepted across borders only where an equivalent AML regime exists. If it does not exist then it may need to be replicated by the EU operative before work can continue.

The Commission informed us that Member States are still drawing up their “White Lists” of equivalent third countries based on FATF criteria. There are discussions between the Commission and Member States on this issue but it is a Member States competence so there may not be one single EU-wide “whitelist.”

If The Bahamas is not on the whitelist then banks and professional intermediaries may have to carry out identification whereas that would not be necessary if a jurisdiction appeared on the “White List”. The EU maintain it would not be the case that countries, which are not on the “White list”, would be “blacklisted”. It may be a priority of the Bahamian Government to ensure they are on this whitelist.

FATF Trust and Company High Level Principles

FATF will continue to develop its high level principles for AML guidance based on the industry supported risk-based approach.

The FATF has developed its guidance for the banking sector and is now turning to the trust and company sector. STEP is leading the work in developing this guidance with FATF and other private sector groups. This high level guidance will deal with perceived weaknesses with trusts and companies in relation to money laundering. The ability to identify settlors, trustees and beneficiaries is of particular concern. There will be a focus on flee clauses and on complex cross border trusts and company arrangements where other trusts or entities are beneficiaries. In companies the focus will be on highlighting the “real”beneficial owner.

This guidance is expected to be agreed in 2008 and will then be reviewed and implemented by regulators. STEP welcomes the focus on the risk-based approach and the opportunity to draft the high level guidance.

“May you live in interesting times” goes the Chinese proverb and 2008 will certainly be another busy year for STEP’s members and our lobbyists.

¹Camille Stoll-Davey, Assessing the Playing Field: International Co-operation in Tax Information Exchange, Commonwealth Secretariat Economic Paper, May 2007 at page (viii). The report goes on to note at page 28: In the promotion of a polarised DTC or TIEA approach, there is a danger for small and developing countries of the emergence of a ‘two-tiered system’ which would allow the ‘first class’ rich countries, as well as countries with greater geopolitical influence or scarce resources, such as oil, to share in the benefits of the treaty network, while smaller countries and naturally resource-poor countries are excluded. This could potentially exacerbate development problems for small and developing countries which are restricted to the stand-alone TIEAs and are prevented from participating in the benefits of the treaty network. From a global perspective, any approach which segregates these small and developing countries to the status of a ‘second class’ country would arguably violate any principle of ‘fairness’. As noted by Ms Latu, the former Attorney General of Samoa: “Unless the situation is corrected, the rich will get richer and the poor will continue to be disadvantaged.”

Keith Johnston is Director of Policy and Communications at the Society of Trust and Estate Practitioners (STEP) and focuses on international lobbying.

Keith lobbies international institutions and national governments on legal, tax and regulatory matters affecting professional private client advisors. This includes initiatives by the OECD, the EU, FATF, and the UK and US governments. He is a member of the EU Expert Panel on the Savings Tax Directive and the FATF private sector liaison group. He previously worked as a lobbyist for the lighting and housing sectors and as a voluntary parliamentary assistant. Keith is also editor-in-chief of the STEP Journal and editor of STEP’s online training, STEP TV as well as Director of Philanthropy.
It is no news that the global cost of compliance has increased drastically over the last decade and will probably maintain its upward trend over the coming years. This phenomenon is not unrelated to an increase in the standards of international bodies such as the Financial Action Task Force (FATF), the International Monetary Fund (IMF), the Organization for Economic and Co-operative Development (OECD), the Financial Stability Forum (FSF), as well as to the global war on terrorism.

A strong argument exists in favour of the absence of a level playing field for smaller offshore financial centres. As a result of these increased international standards, the regulatory requirements within these jurisdictions and their larger counterparts have risen to a level that would have been unimaginable 15 years ago. The fear of being blacklisted or, better put, an adverse listing by the aforementioned international bodies has been manifested within several jurisdictions in the form of new pieces of legislation, revised laws, new regulations, guidelines and prudential norms.

The Cost of Compliance

The “naming” of The Bahamas by the OECD, FSF and FATF in 2000 and its survival of that ordeal marked its emergence as a force to reckon with among international and offshore financial centres. Hence, it was not surprising but was rather rewarding that The Bahamas was the recipient of the Best International Financial Centre in the Western Hemisphere award from the Financial Times Group publication, The Banker in 2006. However, like other financial centres, The Bahamas has seen a significant increase in the cost of compliance post-2000. As noted in the KPMG Global Anti-Money Laundering Survey 2007, AML costs far exceed expectations. The Survey further noted that “With growing regulatory expectations and strong demand for experienced compliance professionals, the costs of AML compliance have increased substantially over the past three years ... our survey this year shows banks reported that their actual costs had increased by 58% over the period.”

The corporate scandals involving Enron, WorldCom and Parmalat amongst others, and the cost of implementing the requirements of the Sarbanes Oxley Act (SOX) have drawn a lot of criticisms and concerns by companies and industry experts. While some argue that the SOX was necessary to curb and prevent the occurrence of corporate scandals following the collapse of the likes of Enron and WorldCom, another school of thought challenges the necessity of the law, arguing that, in the absence of any credible data and means to ascertain the effect and success of SOX in preventing corporate scandals, such a determination is error prone and unfounded.

In light of the aforementioned, the latter school remains adamant about the lack of justification for the cost implications of the SOX. It is not surprising, therefore, that this legislation, which was meant to ensure and encourage good corporate governance, remains controversial 5 years after its enactment amidst speculations that it could be repealed or watered down.

Whilst industry participants and the public await the verdict on and eventual fate of the SOX, the regulatory burden of compliance appears to be increasing and incessant, globally.

Caught in the Middle

Caught in the midst of the radical reforms that have been implemented by regulators within the global financial services industry are Compliance Officers. They are meant to be foot soldiers in the quest to ensure compliance with laws, regulations and guidelines. However, just like soldiers, they often are caught in ambushes and often are at the forefront in battles which make them possible casualties. Compliance Officers are caught between the regulator, the industry and the client. They have a different dilemma as the watchdog that is often seen as a bloodhound. This is probably why the Compliance Department has been given nicknames such as the Complaints Department, the Customer Detriment Department (CDD), Business Prevention Unit and the Kick Your Clients (KYC) Out Department.

Regulation 5 of the Financial Intelligence (Transactions Reporting) Regulations 2001 requires financial institutions to appoint a Compliance Officer who shall ensure full compliance with the laws of The Bahamas. While the FITRR refers to the laws of The Bahamas in general, it is often interpreted subconsciously as the FTRA, FTRR, FITRR and related AML legislation, regulations and guidelines.

The narrow interpretation to concentrate on AML still places a significant responsibility on the shoulders of the typical compliance officer. This is made worse by the notion within certain financial institutions that compliance is the job of the Compliance Officer when in actuality compliance is everybody’s business irrespective of position, department, responsibility and job description. Whilst I reserve this debate for another time, the importance of having a compliance culture within a financial institution can not be emphasized enough.

The Risk-Based Approach

One of the main challenges of today’s compliance officer is when to use his/her “common sense” and apply good judgment in the process. This appears to be a clear cut process but it is not. This is because the use of one’s discretion gives room to subjectivity and the tendency to overlook important issues. Compliance Officers have to make decisions daily. This ranges from the acceptance of new business to the authorization of transactions above specified thresholds and identifying transactions that are inconsistent with a client or customer’s activity profile. This underscores the importance of adequate training for compliance officers and the adoption of a risk-based approach. To this end, no longer are the KYC/CDD requirements of Bahamian financial institutions inscribed in stone but the risk-based approach recognizes the “soft” mental and “real world” element of KYC/CDD.

The Financial Transactions Reporting Act 2000 (FTRA), the Financial Transactions Reporting Regulations 2000 (as amended) (FTRR) and the Central Bank’s Guidelines for Licensees on the Prevention of Money Laundering & Countering the Financing of Terrorism issued in October 2005 (AML Guidelines) adopt and recommend the risk based approach recommended by the FATF and the Basel Committee. It is noteworthy to state that the amendments to the FTRR cemented the evolution of the risk-based approach. The 2003 amendments represented the government’s response to the concerns raised by the industry in relation to the prescriptive nature of the 2001 regulations which seemed to go beyond the
requirements of the FTRA. In enacting the aforesaid pieces of legislation, The Bahamas joined other jurisdictions such as the UK in the adoption of this preferred approach.

The adoption of a risk-based approach implies the adoption of a risk management process for dealing with money laundering and terrorist financing. This process encompasses the identification and assessment of risks and the development of strategies to manage and mitigate these risks. Risk management is the ultimate responsibility of the Board of Directors which in turn has a major and leading role to play in the successful adoption and implementation of a risk-based approach. Financial institutions need to analyze the money laundering and terrorist financing risks they face in order to ascertain areas and situations in which these risks are greatest and their vulnerabilities are situated. The risk based approach gives financial institutions and compliance officers some latitude in the application and enforcement of the FTRA, FTRR and the AML Guidelines.

The Flexible and Variable Approach
The nature of the risk-based approach is dynamic and constantly changing and therefore should be updated as the need arises. Ideally, a good risk-based approach will involve CDD, KYC, ongoing monitoring, suspicious transactions reporting and record keeping. Hence, a compliance officer need not require the same KYC documentation and monitoring for a 60 year old individual who:

- recently retired as a director of a LSE listed company;
- whose nationality and country of domicile is a G-10, First Schedule, Zone A and FATF country; and
- is injecting $25,000 into a personal account for the purpose of savings

and a 30 year old individual:

- whose nationality and country of domicile is a country
  - listed in the FATF’s Non-Cooperative Countries and Territories (NCCT) list
  - with a score of 1.5 in the Transparency International’s Global Corruption Perceptions Index
  - not listed in the First Schedule of the FTRA
- who claims to be self employed with no employment history
- with no documentation to verify his/her source of wealth
- who is injecting $12 million of cash into a trust with no clear relationship with the stated beneficiaries; and
- where the complexity of the structure is quite high and sophisticated.

The risk based approach is intended to enable compliance officers to use their discretion based on a client’s profile and initial risk rating to determine the quantity and nature of risks a potential client relationship will pose to their financial institutions. This initial assessment should subsequently guide the compliance officer in ascertaining the amount of due diligence that should be carried out, whether enhanced scrutiny is required and the types and quantity of documentation that must be provided.

However, the temptation still exists for the typical compliance officer to adopt a “one-cap-fits-all” approach to all clients irrespective of the risk they pose to the financial institution as an easy way out of making informed decisions and concessions where appropriate – which is convenient I must say. It is therefore not surprising that the FATF issued its Guidance on the Risk-Based Approach to Combating Money Laundering and Terrorist Financing in response to the global financial industry’s request for further guidance and clarity on this concept. Generally, the risk-based approach represents a deviation from standard KYC/CDD requirements to variable standards based on clients’ risk profiles.

Evolution and a Work-In-Progress
The role of the Compliance Officer has evolved with the legislative and regulatory framework and reforms that have accompanied them. The adoption and transition to the risk-based approach has provided flexibility for financial institutions but has also redefined the functions of the compliance officer. Compliance officers are now required to see the bigger picture which is risk management when performing their duties. They must consider their institution’s legal, regulatory, reputational, financial and business risks when making decisions on a daily basis.

The fact remains that the risk-based approach is a work-in-progress and the success of this approach can only be determined with the passage of time. Hence, whilst this approach should help in the prevention of money laundering and terrorist financing, there will be instances where it will not detect these crimes. However, this new approach requires the dedication of resources, tools, significant expertise and the commitment of the Board and senior management to be effective. For compliance officers, this approach could be a painful one to adopt and the justification of certain KYC requirements to senior management will only get more difficult. The good news is that compliance officers should no longer have a boring moment and the bad news is that the evolution of compliance is far from over.

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AF Holdings Ltd’s group of companies includes CFAL (formerly Colina Financial Advisors Ltd.), ColinaImperial Insurance Limited (ColinaImperial), Sentinel Bank & Trust, Colina General Insurance Agency Limited (CGIA) and CFAL Securities (formerly First Bahamas Capital Limited).

Resources
Financial Intelligence (Transactions Reporting) Regulations 2001
Financial Transactions Reporting Act 2000 (as amended)
Proceeds of Crime Act 2000
Central Bank’s Guidelines for Licensees on the Prevention of Money Laundering & Countering the Financing of Terrorism
UK Joint Money Laundering Steering Group Guidance on Anti-Money Laundering www.jmlsg.org.uk
KPMG Global Anti-Money Laundering Survey 2007
BICA On the Move

BY DANIEL H. FERGUSON - President, Bahamas Institute of Chartered Accountants (BICA)

Under the helm of its new President, Daniel H. Ferguson, the legislative governing body of the Bahamas Institute of Chartered Accountants (BICA) is committed to providing a “higher level of service” for professional accountants in The Bahamas.

This year many of the organization’s ambitions still include:

- Elevating the profile of accountants
- Enhancing the understanding and use of accounting
- Establishing symbiotic relationships with other professional organizations to focus on common concerns
- Forging closer relations with Clearing Banks
- Creating more benefits for BICA members through ventures and contracts - i.e. Group Medical and Pension
- Becoming more prominent in the Institute of Certified Accountants in the Caribbean (ICAC), of which BICA is a founding member
- Establishing representation/recognition on the BICA Council for all accepted Accountant bodies – i.e. CPA, CA, ACCA, CGA.

With the help of many BICA members, including BICA Vice President Lawrence Lewis and Secretary Roslyn Minnis, Accountants Week 2007 was a tremendous success and set a mark for future seminars with a captivating theme: “The Bahamian Economy and The Role of The Accountant.”

Held during the first week of November, the event highlighted the many factors affecting the accounting field and became one of the most successful industry sessions on record, with a host of dynamic speakers who addressed the issues facing the industry at present.

Some of these speakers included: the...
Balancing growth and regulation of the capital markets encapsulate the holistic approach to supervision taken by the Securities Commission of The Bahamas in 2007.

In keeping with international standards of securities regulation, an amendment to the securities laws of The Bahamas (the Securities Industry Act, 1999 and the Investment Funds Act, 2003) took effect in January 2007. The amendment gave the Securities Commission much broader access to information than had previously been provided. In effect, the Commission now has the power, inter alia, to directly compel the production of documents. The amendment also places the Commission in a position to be compliant with the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU), and a step closer to becoming a signatory to that agreement.

Further legislative developments include the completion of a draft Securities Industry Act, which will repeal and replace the existing Securities Industry Act, 1999. The draft was distributed to a select group of industry participants at the end of 2007 and will be circulated to the wider industry for consultation during the first quarter of 2008. The overall approach to the new legislation is to move to a more flexible form where key legal obligations are set out in the Act itself and detailed requirements prescribed in regulations and rules. More specifically, the draft legislation focuses on: establishing a system of registration by function rather than by title; enhancing investigative and enforcement powers; clarifying the regime for information sharing; and addressing general issues aimed at ensuring that the Commission’s activities keep pace with international regulatory developments and standards. The draft Act is expected to be brought into force in 2008.

In addition to adherence to international standards of securities regulation, efficiency of the financial services regulatory regime plays an integral role in the development of vibrant capital markets. In an effort to consolidate the financial services regulatory regime, the Commission was appointed Inspector of Financial and Corporate Service Providers. The Commission assumed administration of the Financial and Corporate Services Act effective January 1, 2008.

As at September 30th, 2007, there were 725 authorised investment funds in The Bahamas, compared to 760 on September 30th, 2006. Of the 725 authorised funds, 141 were Standard Funds, 279 were Professional Funds, 125 SMART Funds, and 207 were registered as Recognized Foreign Funds. Despite the decrease in the total number of funds over the previous period, the net asset value of these funds increased 11.3% to $212.24 billion. There were 66 licensed investment fund administrators, an increase of 6 over the previous year. The number of broker-dealers increased from 67 to 68 and securities investment advisors from 43 to 44.

Looking ahead, with its new responsibilities as Inspector of the Financial and Corporate Service Providers, implementation of new securities legislation and projected increase in activity in the capital markets, the Commission continues its effort to balance growth and regulation.

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...has a secure financial environment for investors that is internationally recognized. Continued modernization further ensures that investments thrive in our serene environment where it is smart, safe and simple to do business.
In an environment where regulation is clearly a key determinant of a jurisdiction’s competitiveness, the Central Bank actively reviews the local banking and trust supervisory and regulatory regime to ensure that the framework aligns with principles of good and sound regulation. Recent reviews have identified several areas where the Central Bank is seeking to either introduce new legislation or regulatory amendments geared towards implementing more risk-based, proportional principles in its supervisory regime.

A primary illustration is the soon to be enacted changes to the Banks and Trust Companies (License Application) Regulations, 2002. Following a review, it was determined that the current regulations require more financial data than may be relevant for individuals subscribing to less than 10% of a licensee’s share capital. New amendments propose to scale back the existing requirement of an audited financial statement, to the submission of a statement certifying individual net worth to be at least five times the value of the share capital.

Additionally, the Bank has determined that its policy with respect to character references required for the approval of directors was unnecessarily burdensome, particularly where an application is made for a group director or a director of the parent company to serve as a director for its subsidiary/branch in The Bahamas. The Regulations are being amended to allow individuals approved by the home regulators in any of the Zone A countries to serve as directors in its subsidiary/branch in The Bahamas.

Another recent initiative is the Bank’s efforts to employ more risk-based principles of regulation and supervision to the Bank’s conduct of on-site-examinations. Having had some seven years of on-site examinations, the Central Bank’s goal is to focus more on the risk profile of our licensees in the on-site examination process, thus avoiding a prescriptive one-size-fits-all approach, while at the same time continuing to adhere to the Basel Committee’s standards for effective banking supervision.

Supportive of this objective, the Bank has undertaken an exercise to refine the risk categorization of its licensees, using such factors as home/host designation, the degree to which activities are outsourced, complexity of ownership, market focus, among others, to determine the scope of examinations. The Bank also intends to publish its framework paper on this risk-based approach in the coming weeks—the objective being to promote awareness and enhance transparency in our regulatory and supervisory process.

A part of the Central Bank’s ongoing review also includes updating of the on-site examination manual used by bank examiners to ensure consistency in approach and a level playing field on the treatment of issues —such as source of funds and outsourcing – and to ensure that examination findings are considered within the context of our licensees’ overall risk profile.

Sound corporate governance – that matrix of relationships between a company’s management, its Board, its shareholders and other stakeholders —provides an important complement to regulation and supervisory regime. This is an area the Bank intends to further review to see where opportunities exist to employ more risk-based consideration. For example, the Bank is examining the use of a less prescriptive approach in areas such as the number of times the board of directors of banks and trust companies are required to meet. Using a more principles-based approach, it would simply be left up to the individual banks, based on individual risk circumstances, to determine appropriate governance arrangements in this area.

Recently, the Central Bank has also focused its attention on the issue of its relationship with external auditors, which is in itself vital to the corporate governance process. The Bank maintains a very constructive dialogue with external auditors on accounting, auditing and reporting matters pertaining to licensees, through its Auditors Advisory Committee.

When the Central Bank issued guidelines on the appointment of external auditors of licensees and the relationship between the Central Bank and external auditors in 2006, one area of concern expressed by the accounting profession was the potential exposure to legal liability if they should share certain information with the Inspector of Banks and Trust Companies. To address this concern, the Bank has drafted amendments to the Banks and Trust Companies Act (BCTRA) and new regulations that will impose certain disclosure requirements on current and former external auditors when they are appointed to external audit engagements.

Continued on page 16...
Business continuity remains an ongoing priority for the Central Bank and the quick recovery of business functions after a disruption is crucial to maintaining confidence in the financial system. As one example, the Central Bank is in the final stages of preparing Temporary Business Continuity Operations Regulations for banks and trust companies. These regulations would allow foreign bank and trust companies to establish operations on a temporary basis in The Bahamas, where a natural disaster or other serious event in their home country disrupts their business operations. These new regulations will form an important part of the domestic business continuity preparations. Once in place, the Central Bank intends to share it with other jurisdictions, particularly those with which the Bank has a memorandum of understanding, with a view to establishing reciprocal protocols.

The implementation of the new international capital adequacy framework, called Basel II, is yet another area that the Banks has on its immediate policy agenda. Capital regulation is the cornerstone of our efforts to maintain a safe and sound banking system - a critical element of overall financial stability. Globally, banking regulators broadly agree that the current risk-based capital regime, known as Basel I, is inadequate for the largest and most complex banking organizations. Basel II capital requirements will be much more risk-sensitive and will provide stronger incentives for financial institutions to improve the measurement and management of risk. Basel II will also give supervisors a better framework for evaluating the adequacy of a bank’s capital buffer above the regulatory minimums and should improve market discipline by providing financial markets with better information on banks’ risk-taking.

Like many jurisdictions in the Caribbean region, The Bahamas intends to adopt at least the key elements of Basel II (including the new credit risk weightings) by 2010. Before then, the Bank intends to work closely with home country regulators for the more complex banks for which The Bahamas is host supervisor. Here too, as in other areas, public consultation will be critical in shaping the final approach to Basel II, and the Central Bank will look to financial sector stakeholders for help in identifying aspects that would impose competitive inequities or undue costs.

Yet another area the Bank has under review is that of filing requirements, to see if there may be scope for rationalizing statutory and reporting requirements for different types of licensees. For example, the Bank is reviewing whether there is a need for the restricted trust category to provide audited financials because unrelated parties are not exposed to their operations or whether an auditor’s certificate, certifying compliance with their licence mandates, would suffice. Nominee trust licensees are also included in this review as the parent directly accounts for their expenses and manages their operations.

The Central Bank is also attempting to better coordinate supervisory efforts and minimize regulatory overlaps in the existing domestic regulatory regime, while at the same time fostering inter-regulatory cooperation. The Bank and the Securities Commission of The Bahamas have recently agreed and executed, for immediate implementation, a Protocol for Joint On-Site Examinations for our jointly regulated entities. The key objectives of this programme are to streamline the examination activities by coordinating: the planning, timing and scope of examinations; the reporting of examination findings and recommendations; and follow-up and enforcement actions, if any.

Another area under review by both the Central Bank and other domestic regulators is that of the publication of statutory filings, particularly the extent to which more flexibility could be provided. This includes exploring the possibility of electronic filings and the publication of financials on regulated entities’ websites or some centralized website as being sufficient to meet the statutory publication requirement.

Finally, regulatory reporting is an area the Central Bank is seeking to make more efficient. Presently, proposals are being considered from leading service providers to develop an online reporting and information management system, which will allow Central Bank licensees and other respondents to submit prudential and other returns using a web portal. One of the immediate benefits of this solution will be a rationalization of all reports submitted to the Central Bank. Banks will also have an opportunity to create interfaces between the reporting module and their general ledger systems. This new process should reduce the cost of data collection and verification for all parties.

The Central Bank is ever mindful of the need to maintain a sound, competitive regulatory regime, where licensees are able to pursue their business interests and objectives in a manner that contributes to the further growth and development of the Bahamian economy.
Conventional or Alternative?
Key Highlights of Private Trust Companies Legislation

The Private Trust Company (PTC) is established to provide trusteeship to a defined class of trusts. In The Bahamas, this class of trust is defined by reference to the Designated Person(s). The Designated Person(s) is an individual(s) who is identified at the establishment of the PTC and with whom all other settlors of trusts, for whom the PTC acts as trustee, must be related.

With the requirement that the Designated Persons must be related, and that all other settlors of trusts, for whom the PTC acts as trustee, must be related, the PTC can act as Trustee for an unlimited number of trusts and can benefit anyone (subject to due diligence requirements) from the assets of the trusts.

PTCs in The Bahamas were enhanced by legislation in the form of the Banks and Trust Companies Regulation (Amendment) Act, 2006, followed by the Banks and Trust Companies (Private Trust Companies) Regulations, 2007.

FEATURES:
- **Incorporation**
  - can be incorporated under either the Companies Act, 1992 or International Business Companies Act, 2000
  - must have a minimum share capital of $5,000
- **Designated Person:**
  - individual named in Designating Instrument
  - if more than one Designated Person named, then each Designated Person must be a blood relative of or related by some other family relationship to the other Designated Person(s)
  - can be deceased and his trust established by testamentary disposition
- **Designating Instrument:**
  - names the Designated Person(s)
  - kept at the office of the Registered Representative
- **Form of Acknowledgement**
  - settlor acknowledges that he is aware that PTCs do not require:
    - directors to possess expertise in trust administration
    - a fidelity bond
    - capital exceeding $5,000
    - an annual audit
- **Special Director:**
  - except where an officer of a licensee serves as a Registered Representative, there must be at least one Special Director
  - such Special Director must possess at least five years of experience in a discipline relevant to trust administration (law, finance, commerce, investment management, or accountancy) and be of good repute
  - need not be resident in The Bahamas
- **Registered Representative:**
  - must be separate legal entity
  - shall be either a licensee of the Central Bank of The Bahamas ("the Central Bank") or a Financial and Corporate Service Provider approved by the Central Bank
  - must be resident in The Bahamas
  - provides the services of a secretary, director, or Bahamas Agent
  - ensures PTC is established for lawful purpose and that it operates as a PTC
  - must have a minimum share capital of $50,000
  - must retain copies of certain documents in relation to the PTC
  - required to verify and maintain in The Bahamas records of such verification relating to the identities of the following:
    - settlor and any person providing funds or assets subject to trust(s) administered by the PTC
    - Designated Person(s)
    - protector of trust(s) of which the PTC is trustee
    - any person with a vested interest under trust(s) of which the PTC is trustee
  - shall report suspicious transactions to Financial Intelligence Unit
- **Penalties**
  - if a PTC fails to comply with directions from the Governor of the Central Bank or engages in illegal conduct, then the PTC or its Registered Representative is subject to sanctions, including a fine of no more than $5,000; a Supreme Court Order compelling compliance; amending or varying conditions of the licence; requiring substitution of any director or officer; appointing a person to advise on proper conduct; appointing a receiver to assume control of the PTCs or Registered Representative's affairs; or such other action as the Governor deems necessary.
  - Governor of the Central Bank has discretion to petition court to transfer trusteeship to a new trustee

See www.bfsb-bahamas.com for a copy of the PTC Guide.
ToolCentre Focus

The Financial Centre Focus (FCF) initiative is an ongoing outreach to the Bahamian public to promote a better understanding of financial services, and so encourage greater consensus among all Bahamians of the need to support the industry. A key objective of FCF is to “Grow the human resource pool.” In this connection, BFSB has introduced the Financial Services Industry Excellence Awards programme which recognizes:

- Executive of the Year
- Professional of the Year
- Achiever of the Year
- Financial Services Student of the Year

In addition to the “people” awards, BFSB also recognises a firm or association for entrepreneurial undertaking(s) promoting the viability and strength of the sector. The Development and Promotion Award can include, but is not limited to, new business expansion, the creation of niche markets, or the development of new marketing efficiencies.

In 2007, BFSB was pleased to introduce a Lifetime Achievement Award in recognition of sustained, outstanding contribution to the growth and development of the Bahamian financial services industry.

Executive of the Year
Brian M. Moree
Senior Partner, McKinney Bancroft & Hughes

Mr. Moree is a Senior Partner at McKinney, Bancroft and Hughes, the only place that he has ever been employed, beginning there as an articled clerk and being called to the Bahamas Bar in 1979. He practices in the areas of commercial and civil litigation, insolvency, corporate and trust structuring and financial services.

In addition to being senior partner, he also serves as Head of the Litigation Department at the firm, and this aspect of his practice includes cross border litigation and international cases involving disputes in Europe, the Cayman Islands, the British Virgin Islands, the United States of America, Canada, South America and Africa. He has been involved in a large number of the major commercial cases which have been litigated in The Bahamas and relating to all aspects of financial services.

Mr. Moree has worked closely with both political parties in promoting financial services, a talent that has made him an experienced spokesman for the industry and enhanced his reputation in government circles. In 2002 he was appointed Chairman of the Financial Services Consultative Forum, a policy advisory council. The primary role of the Forum was to advise the Government of the day on matters relating to the financial services industry. Mr. Moree believes that the industry, which indirectly accounts for more than 20% of The Bahamas’ gross domestic product, has the potential to grow even more and to compete effectively with other major jurisdictions. Mr. Moree has served on numerous Government Boards and Commissions including the Judicial Salary Review Commission and the Bahamas Electricity Corporation. He has been and continues to serve as a director of private companies, international banks and trust companies, insurance companies and public companies. He was also a founding member and director of the Bahamas Financial Services Board.

Within the Bahamas Bar Association, he has served as Chairman of the Commercial Law Committee, a member of the Bench Bar Committee and a lecturer and examiner in Civil Procedure. He was also one of several Chairpersons of the Arbitration Tribunal. Mr. Moree has acted as a Stipendiary and Circuit Magistrate and a Judge of the Supreme Court of The Bahamas.

Professional of the Year
Barbara Ferguson
Assistant Manager, Account Investigations & Fraud, Credit Card Centre, RBC Royal Bank of Canada

Barbara Ferguson has worked in the financial services industry and with RBC for the past thirty (30) years. She has held positions of Secretary, Loans Clerk, Customer Service Supervisor, Operations Officer, and Chargeback Officer. In her current role, she was responsible for the consolidation of the chargeback function from the RBC Barbados office to The Bahamas.

Ms. Ferguson’s outstanding work with the RBC fraud team in Canada led to the implementation of a revolutionary fraud detection system in the Caribbean region. This system detects fraud in real time and provides RBC staff with the information and tools needed to prevent

Continued on page 20...
Financial Centre Focus  ...continued from page 19

Marvin Nairn has had over nine years of quality delivery of financial services to customers of Citibank's Consumer Banking Division, and five with Cititrust. He was transferred to the Collections Department at a time when many customers were failing to meet loan payment obligations and excelled both in New Providence and the Family Islands. He was offered a position in the Trust Department of Citi in 2000, and has proven to be an integral part of the Trust Services Team, again standing out in many areas. He was promoted to the position of Senior Trust Service Officer in 2006; and, because of his management strengths, Mr. Nairn also acts as Deputy Team Leader when the need arises.

His daily responsibilities include operational duties for all Private Investment Companies and Trusts related to Citi's Smith Barney Private Trust Company. In addition, Marvin Nairn is tasked with the responsibility of setting up and giving access to Citi's Systems to all the Administration Staff. Even though he sits in The Bahamas Office, he was instrumental in setting up on Citi's various systems all the newly hired Staff in the recently opened Singapore Trust office. This was only possible because of his intimate, self-taught knowledge of the systems and the rapport he has built over the years with Information Technology colleagues throughout Citi.

Classified as “Critical Staff”, Mr. Nairn is essential to the success of Citi's Continuity of Business Plan in the event of a hurricane or other type of threat to the company or country. He is also the Country Lynx Co-coordinator, with responsibility for testing and liaison with other coordinators to ensure global cohesiveness.

He is the recipient of the Citicorp Service Excellence Award, Employee of the Month Award, and numerous other awards for top performance and commitment to service excellence.

He is pursuing his STEP diploma programme, and has completed the Foundation Certificate Course.

ACHIEVER OF THE YEAR

MARVIN NAIRN
Senior Trust Service Officer, Citi

Active in the community, Ms. Ferguson is past Treasurer of the Bahamas Amateur Athletic Association (B.A.A.A.) and served as the Manager of several National Track & Field teams, and Assistant Treasurer of the Eastern Pacesetters of the Royal Bahamas Police Force.

Ms. Deleveaux received the Bahamas Institute of Chartered Accountants Award 2007; the COB's Accounting and School of Business Award 2007; and the Chamber of Commerce Award for Academic Excellence 2007. She remained on the President's List between 2004 and 2007 while at the College and in addition to serving as Valedictorian 2003 at St. John's College, also received numerous awards during her secondary school years, including several Outstanding Students in Bahamian High School Awards as well as Track & Field Awards.

Her employers describe her as a shining star who is very focused and determined – a strong performer who is hard working, responds quickly, and is capable of handling multiple tasks.

FRI 5TH ANNIVERSARY OF THE HURRICANE

Two years ago Barbara enrolled in the Bahamas Institute of Financial Services Banking Certificate program, and has become an example for all of RBC's staff members, members of other financial institutions and for members of the wider community. As a working mother who had put her two kids through university and a grandmother who now takes care of her grandson, Barbara was able to successfully complete the program, achieving the highest overall GPA, having received the highest marks in phases one and two. She graduated in 2007 with many merits and distinctions for her hard work.

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BFSB’s FSI Student of the Year opens Investment Account. Photo shows La’Nelle Anita Deleveaux meeting with Khalil Braithwaite, Marketing & Client Relations Officer at CFAL, to discuss options for the $5000 investment account won as the major prize for the 2007 Student of the Year. Also shown are Troy Mackey of Pearl Investment Management and Renee Barrow, SG Hambros Bank & Trust – the two corporate sponsors of the annual competition. La’Nelle, a COB BBA-Accounting Graduate, was chosen from a field of five finalists by a judging team comprising representatives from the College of the Bahamas, BFSB and the Professional Industry Association Working Group.
Described often as a trailblazer in Bahamian finance, and the founding father of the industry, Mr. T. Baswell Donaldson is a pioneer whose decades-long career has influenced every aspect of banking and finance, from creating an educational training forum to setting the regulatory tone for The Central Bank as its first governor.

Born in 1934, Mr. Donaldson was educated in The Bahamas and United States. Among his notable titles, he served as the first Governor of The Central Bank of The Bahamas. He also held the position of Governor at The World Bank, the International Monetary Fund and the Caribbean Development Bank.

After retiring from the public service in 1980, Mr. Donaldson was named Chairman of The Bank of Montreal (Bahamas and Caribbean) Ltd, now Bank of The Bahamas International. He also served on several boards of major companies including Morgan Guaranty Trust (Bahamas) Ltd. and Bahamas International Trust Company.

In 1992, Mr. Donaldson was appointed Bahamian Ambassador to the United States and served in Washington, D.C. for three years. He returned to New Providence and was the founding Chairman of the Securities Commission of The Bahamas until 2002.

An undoubted highlight in Mr. Donaldson's career has been his role as President and Founder of the Bahamas Institute of Financial Services. BIFS Director Kim Bodies says it was Donaldson who envisioned the need for an industry training organisation like the (then) Bahamas Institute of Bankers. "He was the man who had the vision and understood the need, and the purpose it would serve some thirty-three years ago." The institute which opened in 1974 has resulted in the growth and development of many banks within the country. Today, BIFS is the premier training organisation for the broader financial services industry in The Bahamas.

Last Year, Mr. Donaldson was recognised as an Honorary Fellow of the Caribbean Association Banking and Finance Institute - the first Bahamian in history to receive the regional honor.

Mr. Donaldson currently serves on the Boards of a number of private bodies and is Chairman of Commonwealth Bank. During his tenure as Chairman, he has helped steer the dramatic growth of Commonwealth. Humble beginnings have grown 50-fold, more than doubling in less than seven years. When the bank went public in May 2000, assets stood at $558 million, climbing to $854 million in 2005 and breaking the $1 billion ceiling in December, 2006. That accomplishment, Chairman T.B. Donaldson, C.B.E., said was "the most significant financial milestone" in the bank's history.

Commonwealth Bank Ltd.'s commitment to Bahamians remains inextricably intertwined with an intense strategic focus on value creation. Value creation has not been limited to monetary returns. Every employee in any capacity understands and has been motivated to do "what is right" in order to further the development of the Bank and the financial services industry, as well as to contribute to the ongoing development of the youth of The Bahamas. The Bank has also been a leader in willingly assisting in a positive way various community activity needs as well as being ready to contribute to any unforeseen adverse situations should they occur within The Bahamas.

The true drivers of growth and success of the Financial Services industry in The Bahamas are the individuals that deliver the financial products and services to Bahamians. The support and reinforcement of the Bank's mission and core values set it apart from the rest. Commonwealth Bank focuses on the development of Bahamians and operates without the need for work permits for any of its staff. The Bank continues to provide exposure for staff to offshore as well as local training and education opportunities, to ensure that growth and further development of the industry in The Bahamas.

In 2006, Commonwealth Bank Ltd. was once again able to achieve its significant financial objectives while continuing to expand the breadth and depth of its products and services to Bahamians. For the 10th consecutive year the Bank recorded double digit growth in all areas of its operations, which contributed to a similar pattern of profitability. What is equally important is that more and more individual Bahamian investors have become increasingly aware of the contribution the Bank is making to individual Bahamians as well as the overall Bahamian economy. Once again, individual Bahamian investors were able to participate materially in the success of the Bank through the increase in dividends to shareholders which in 2006 rose an additional 51.1% over 2005.

Success in the financial services industry cannot be dependent upon continued growth and expansion alone. The growth and expansion must be accompanied by an effective and transparent corporate governance regime, in-depth risk management process and an overriding concern for the maintenance of an effective and sustainable process of control. Through an exceptional degree of reporting transparency, which has been acknowledged by financial analysts and knowledgeable stakeholders, the Bank has provided a model for reporting for other industry participants. The Bank's Annual Report which is available to all Bahamians and other interested stakeholder outlines the Bank's Corporate Governance regime, its achievement against strategic priorities, and provides confirmation by the Board of Directors that the Bank is operating in a safe and sound manner. Commonwealth Bank Ltd. in its Annual Report also compares the Bank's operations to international "best practices" which ultimately reflects favorably on the industry at large in The Bahamas, and ultimately augers well for the continuing growth and further development of the industry in The Bahamas.

The Bank, since its inception as a Bahamian owned Bank in 1984, stands as a testament to the Bahamian spirit and resolve and has remained steadfast in its commitment to be the "First Choice of Bahamians" for all Banking Services. Commonwealth Bank Ltd. is now the largest wholly owned Bahamian Clearing Bank in the Commonwealth of The Bahamas as measured by assets and market capitalization, and is the first wholly owned Bahamian Clearing Bank to surpass $1 Billion in Total Assets.
About The BFSB

2007 Annual Report

Established in 1998, the Bahamas Financial Services Board represents an innovative commitment by the financial services industry and the Government of The Bahamas to further the development of The Bahamas as an international financial centre. The Board is a multidisciplinary body that, through the active contribution of government, professional industry associations and individual member firms, pursues an active agenda for improvement in the jurisdiction and communicating the benefits of The Bahamas for international finance. This agenda focuses on ensuring that the country’s regulatory and business environment are suitable for both clients and the international stature of The Bahamas as a member of the community of nations.

As such, BFSB’s stated mission is two-fold:

• to act as a catalyst for the continued development of The Bahamas as an international financial centre; and

• to be the principal communication arm of the industry.

Collaboration is seen as critical for the success of all BFSB projects. BFSB strength increases with the participation of all of its members, drawn from banks, broker dealers, trust and investment advisory services, insurance and mutual fund administration as well as legal, accounting, realtor and other professionals.

Using Knowledge as a Development Tool

In the 1990s much attention was given to the development of knowledge-based economies – that is economies that used knowledge as a tool for economic benefits. This, of course, followed the information age of the 1980s but was differentiated by the broadening of the concept to include not only high technology and telecommunications, but also education and research as contributors to economic growth.

In the world of management and organizational theory, knowledge management ensures that the right information is delivered to the right person to allow appropriate decision making.

Knowledge is an essential tool in the developmental process and has become particularly so in the financial services sector where the impacts of globalization are felt daily.

Specifically, the developments occurring at an accelerated pace in the global regulatory landscape represent a significant change in the delivery of financial services and require a distinct approach to compliance and governance issues as part of any strategic development – at jurisdictional and corporate levels. To meet the challenges head on The Bahamas must be equipped with the knowledge to act in a timely fashion - as opposed to reacting to developments already impacting its economic well being.

In a broader context, BFSB has undertaken to research how these global developments can provide opportunities for the financial services sector, particularly from the viewpoint of the massive amount of multinational and bilateral agreements currently in place and being negotiated on an ongoing basis. BFSB is looking to the resources required for strategy development, trade related matters, and manpower management. The primary purpose of this project is the development of a fact-based analysis of the global financial services industry and potential strategic roles to be played by The Bahamas over the next 10-20 years. In the context of this analysis, the secondary objective is an action plan and timetable for implementation of a strategic plan supported by all industry stakeholders.

continued on page 24...
When our people **shine**, so do our clients.

Why does it matter that we’re one of FORTUNE® Magazine’s “100 Best Companies To Work For”? Because you see it reflected in every person on our team and in everything we do for our clients. We attract high caliber professionals, people with superior skills who pursue the highest levels of integrity and provide your company with high quality services. It’s all part of our commitment to professional excellence. Because when we’re at our best and brightest, you are too. [ey.com](http://ey.com)
BFSB utilizes its membership base primarily through its Committee structure. These comprise over 25 standing and ad hoc groups dealing with issues impacting the development of the financial services sector.

Collaboration with the Professional Industry Associations through a Working Group established in 2001 serves as a means of engaging a broader range of industry stakeholders in sector development initiatives. The continuing objective of the working group is to develop and implement carefully selected major projects in high-target priority areas and resulting in major, visible and measurable impact on the industry and its development.

Through the Conference and Briefing Visits component of its External Communications programme, BFSB also has been successful in building relationships, and has secured a strong base of ‘Friends of The Bahamas’. This is complemented, of course, by the regular Bahamas Briefing events, special programmes for intermediaries in The Bahamas.

**Government Portfolios**
- Finance (financial services)
- Office of the Attorney General
- Immigration
- Tourism
- Labour
- Foreign Affairs

**Regulators**
- Central Bank of the Bahamas
- Securities Commission of the Bahamas
- Inspector of Financial and Corporate Service Providers
- Compliance Commission of the Bahamas
- Registrar of Insurance Companies
- Financial Intelligence Unit

**National Organisations**
- Grand Bahama Port Authority
- Coalition of Private Sector Organisations
- Registrar General Department

**Associations**
- **Institution**
  - Association of International Banks & Trust Companies in The Bahamas
  - Bahamas Insurance Brokers Association
  - Bahamas International Insurance Association
  - Bahamas General Insurance Association
  - Bahamas Real Estate Association
- **Professional / Training**
  - Bahamas Association of Compliance Officers
  - Bahamas Association of Securities Dealers
  - Bahamas Bar Association
  - CFA Society of The Bahamas
  - Bahamas Institute of Chartered Accountants
  - Bahamas Institute of Financial Services
  - Insurance Institute of The Bahamas
  - Society of Trust & Estate Practitioners

**Partnership: The Right Foundation**

**Operational Framework**

BFSB’s operational framework includes a number of key components related to its overall mandate, primary among which are Policy Setting & Implementation; Jurisdictional Development; Communications & Marketing; and Coordination with Industry Stakeholders. This has allowed a targeted approach to programme and project development.

The Board has defined parameters for the way forward in terms of policy setting and communication, with a particular focus on expanding institutional capacity, development of human resources, and a streamlined regulatory environment. Additionally, it has targeted key areas such as market access and development, trade measures, international recognition, and reputation management.

Since its inception BFSB has become synonymous with the development and growth of the financial services industry, both locally and abroad. It is now a trusted provider and partner with the international and domestic community.

**Strategic Vision & Action Plan: Development Path**

- Secure Research to Support Stakeholder Dialogue and Capacity Building
- Redefine our Strategic Vision and Develop an Action Plan (SVAP)
- Implementation Supported by Capacity Building
Efficient receipts and payments services in respect of cross border transactions are critical to effectively fulfilling trade commitments and in meeting business and financial objectives.

Optimise the placement or laying off of surplus liquidity at the best market rates of interest, overnight or for longer periods. Daily access to funds is assured without prejudicing rates or incurring additional risk.

For international businesses, trustees and foreign private investors based in The Bahamas and exempt from exchange control, Winterbotham offers cash management services typical in major financial markets. Same day value for all US Dollar transactions is assured subject to timely receipt of payment instructions.

Operating accounts in Dollars, Euro, Sterling, Canadian and other major currencies together with FOREX and securities execution, Winterbotham provides customers with immediate, secure, fast and reliable cash management solutions.

To learn more about our services, please contact Geoffrey Hooper, Chairman, Alan Davidson, CEO, or Ivan Hooper, Head of Business Development at:

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Email: ghooper@winterbotham.com, adavidson@winterbotham.com, ihooper@winterbotham.com - Tel: (242) 356-5454
www.winterbotham.com

Winterbotham’s Cash Management Services are not available to individuals residing in The Bahamas or any company, partnership, estate, trust or other entity formed or organised or existing under the laws of The Bahamas which are designated “resident” by the Central Bank of The Bahamas for Bahamian exchange control purposes.
Public private partnership (PPP) continues to be a major catalyst for the development of the financial services industry. The joint commitment to dialogue and practical interaction has boded well for the nation’s second pillar of the economy.

The Bahamas Financial Services Retreat is one of several initiatives undertaken in recognition of the critical importance of engaging all industry stakeholders on a regular basis for open discussions on financial services sector issues. The annual event provides an ideal opportunity to share information on the strengths, weaknesses, threats and opportunities facing the industry.

2007 Retreat

BFSB hosted the 4th Bahamas Financial Services Retreat at the Four Seasons Resort at Emerald Bay, in Exuma in January 2007. The annual event regularly attracts senior Government officials and regulators, and 2007 was no exception. BFSB was delighted to welcome the Prime Minister of the Bahamas to the Saturday Plenary Sessions, with other participants over the 2 ½ days of meetings including over 25 top level representatives from Government Ministries and Departments and Industry Regulatory Authorities. Government Ministers participating included the Attorney General and Minister of Legal Affairs, Minister of Financial Services and Investments, and the Minister of State in the Ministry of Finance. Consistent with previous retreats, the Leader of the Official Opposition addressed the group; representatives of the official opposition also participated in the event. Altogether, some 123 industry stakeholders participated in the Plenary and Breakout Sessions which have become a hallmark of the Retreat. In addition to the public sector, the Retreat hosted cross sectoral representation by financial services practitioners. These ranged from those focused on international or domestic clients, private wealth or capital markets to industry association delegates representing the interests of business sectors and professional development.

The usual high level of response from the public sector – and the active participation of these delegates throughout the weekend – was a clear demonstration of the ongoing commitment by the Bahamas Government for the sector. BFSB paid tribute to the level of exchange and interaction resulting from the willingness to pursue open dialogue on the development of the financial services industry in The Bahamas.

The vision and strategic development necessary to maintain competitiveness, and ensure growth, continued to be the primary focus of the Retreat, with small group sessions in particular providing the opportunity for dialogue on issues such as jurisdiction branding, manpower development, regulation and compliance, private wealth management, and capital markets.

The consolidated reports of the working sessions served as a basis for a detailed action plan for 2007. Key themes were:

1. Institutional Capacity Building
2. Compliance & Corporate Governance
   a. Independent & External Evaluations of Financial Systems
   b. International Cooperation on Non-Tax Matters
   c. International Cooperation on Tax Matters
3. Branding to drive growth
   a. Reputation Management
   b. Building Internal Brand: Domestic Outreach & Internal Buy In
   c. International Recognition
   d. Marketing & Communication
4. Market Access & Development
   a. Trade Protocols
5. Infrastructure
6. Strategy / Business Model
7. Manpower : Education & Expertise
8. Competitiveness
   a. Legislation
   b. Regulatory Reform
9. Sector Specific Development Focus
10. Cross fertilisation of International & Domestic Markets and Market Participants

2008 Retreat

The 2008 Bahamas Financial Services Retreat was hosted at the Abaco Beach Resort & Boat Harbour in Marsh Harbour, Abaco.

The event again brought together stakeholders to discuss the key drivers of the financial services industry and to formulate strategies for the growth of sector, while also providing opportunities for networking. Some 133 individuals attended the working sessions, with 21% representing Government and Regulators; 5% Professional Industry Associations; and 74% member firm representatives across all industry sectors. The government delegation was led by The Rt. Hon. Hubert A. Ingraham.
Eighteen intermediaries from Europe, North America, Latin America and Asia, specializing in private wealth management and the insurance industry were hosted in Nassau for in-depth meetings and presentations on the country’s financial services industry.

Bahamas Briefing, hosted by the Bahamas Financial Services Board (BFSB), and sponsored by a wide range of financial services firms, took place November 7 to 9, providing its international participants with detailed and first-hand exposure to the country’s second largest industry.

Joining industry representatives was a lineup of senior Government and Regulatory Authority officials who met with the visiting intermediaries - primarily attorneys and asset managers from influential firms in target markets. Representatives from the financial services sector in The Bahamas also made presentations covering all aspects of the industry.

The annual Bahamas Briefings have been structured to provide targeted and relevant messages to the visiting intermediaries. The 2007 event featured two tracks: one which covered in detail private wealth management (pwm) and the second which reviewed developments in the global insurance industry with targeted discussions on the role this jurisdiction can play.

Wendy Warren, CEO and Executive Director, BFSB said the industry undertakes a number of initiatives to make international intermediaries more aware of what The Bahamas has to offer as an international financial centre, but the very nature of the Bahamas Briefing program gives it special appeal and effectiveness.

"By hosting intermediaries in The Bahamas, we have the opportunity to expose these individuals to all facets of our industry and to senior Government, regulatory and industry leaders whom they would not necessarily ever have a chance to meet," she said. “At the same they share with us information that we need to consider to ensure that we continue to meet their emerging requirements and those of the clients which they represent."

Corporate sponsors of the PWM Bahamas Briefing component included: Banca del Gottardo; Butterfield Bank (Bahamas) Ltd; Credit Agricole Suisse (Bahamas) Limited; Credit Suisse (Bahamas) Limited; FirstCaribbean International Bank (Bahamas); Lennox Paton; Pictet Bank & Trust; Royal Bank of Canada Trust Company (Bahamas) Ltd.; Scotia Private Client Group; SG Hambros Bank & Trust (Bahamas) Limited; SYZ & CO Bank & Trust, and UBS (Bahamas) Limited. The insurance component was co-sponsored by Bahamas First, Generali Worldwide, J.S. Johnson & Company, Summit Insurance Company Limited, Sunshine Insurance (Agents & Brokers) Limited, The Cotswold Group, and the Private Trust Corporation.

Supporting agencies included the Central Bank of The Bahamas, the Ministry of Tourism and the Bahamas Telecommunications Company.

BFSB

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<td>Banco Boavista Interatlantic, S.A.</td>
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<td>Bank of Nova Scotia International Limited</td>
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<td>Bank of Nova Scotia Trust Co. (Bah) Ltd.</td>
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<td>Bank of The Bahamas International Bank-Boston Trust Company Ltd.</td>
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<td>Banque Privee Edmond De Rothschild Ltd.</td>
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<td>Banque SCS Alliance (Nassau) Ltd.</td>
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<td>BSI Overseas (Bahamas) Limited</td>
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<td>BluBank Ltd.</td>
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<td>Butterfield Bank (Bahamas) Limited</td>
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<td>Cayside Trust Company Limited</td>
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<td>CIBC Trust Company (Bahamas) Limited</td>
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<td>Cititrust (Bahamas) Limited</td>
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<td>Clariden Leu Ltd., Nassau Branch</td>
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<td>Commonwealth Bank Limited</td>
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<td>Corner Bank (Overseas) Limited</td>
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<td>Cuscatlan International Bank &amp; Trust Ltd.</td>
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<td>Dartley Bank &amp; Trust Limited</td>
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<td>Deltec Bank &amp; Trust Limited</td>
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<td>EFG Bank &amp; Trust (Bahamas) Ltd.</td>
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<td>Elco Bank &amp; Trust Co. Ltd.</td>
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<td>Fidelity Merchant Bank &amp; Trust Limited</td>
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<td>Finter Bank &amp; Trust (Bahamas) Limited</td>
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<td>First Caribbean International Bank (Bahamas) FTG Trust Co. (Bahamas) Ltd.</td>
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<td>Gonet Bank &amp; Trust Limited</td>
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<td>Guaranty Trust Bank Limited</td>
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<td>Hang Seng Bank (Bahamas) Limited</td>
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<td>Hottinger Bank &amp; Trust Ltd.</td>
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<td>Lombard Odier Darier Hentsch Private Bank &amp; Trust Ltd.</td>
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<td>Metropolitan Bank (Bahamas) Limited</td>
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<td>MMG Bahamas Ltd.</td>
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<td>National Bank of Canada (International) Ltd.</td>
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<td>Pasche Bank &amp; Trust</td>
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<td>Pictet Bank &amp; Trust Ltd.</td>
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<td>Private Investment Bank Ltd.</td>
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<td>Royal Bank Financial Group</td>
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<td>Santander Central Hispano Bank &amp; Trust</td>
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<td>SG Hambros Bank &amp; Trust (Bahamas) Ltd.</td>
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<td>State Bank of India</td>
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<td>SYZ &amp; Co. Bank &amp; Trust</td>
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<tr>
<td>The Hongkong and Shanghai Banking Corp.</td>
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<tr>
<td>The Kattegat Trust Company Limited</td>
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<td>The Private Trust Corporation Limited</td>
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<tr>
<th>BROKER DEALERS / SECURITIES</th>
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<tr>
<td>Argus Advisors</td>
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<tr>
<td>ACCUVEST LIMITED</td>
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<td>Bearbull International Limited</td>
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<td>Colina Financial Advisors</td>
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<tr>
<td>FTC Asset Management (Bahamas) Ltd.</td>
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<td>Gem Global Equities Management S.A.</td>
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<td>Geneva Private Portfolio Management Ltd.</td>
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<td>Gestfinanz (Bahamas) Ltd.</td>
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<td>LOM Securities (Bahamas)</td>
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<td>Maritime Securities Limited</td>
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<td>Nordica Group of Companies</td>
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<td>Pearl Investment Management Ltd.</td>
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<td>RMF Investment Products (Bahamas) Ltd.</td>
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<td>Scotia Capital/ScotiaBank Caribbean Treasury Templeton Global Advisors Limited</td>
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<td>Tillerman Securities Ltd.</td>
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<td>273 Capital Management Limited</td>
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<td>Van Daalen International Ltd.</td>
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<th>INVESTMENT FUND ADMINISTRATION</th>
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<td>Butterfield Fund Services (Bahamas) Ltd.</td>
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<td>Citco Fund Services (Bahamas) Ltd.</td>
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<td>DPM Mellon (Bahamas) Limited</td>
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<td>Foyil Asset Management</td>
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<td>Genesis Fund Services Limited</td>
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<td>Swiss Financial Services (Bahamas) Ltd.</td>
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<th>PROFESSIONAL SERVICES</th>
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<tr>
<td>Alexiou, Knowles &amp; Co.</td>
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<td>Anthony Thompson &amp; Co.</td>
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<td>Callenders &amp; Co.</td>
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<td>Chancellors Chambers</td>
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<td>Dupuch &amp; Turnquest &amp; Co.</td>
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<td>Fitzgerald &amp; Fitzgerald</td>
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<td>Gibson &amp; Company</td>
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<td>Gibson, Rigby &amp; Co.</td>
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<td>Gonthier &amp; Co.</td>
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<td>Graham, Thompson &amp; Co.</td>
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<td>Halsbury Chambers</td>
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<td>Higgs &amp; Johnson</td>
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<td>Higgs &amp; Kelly</td>
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<td>Holowesko &amp; Company</td>
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<td>Jerome E. Pyfrom &amp; Co.</td>
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<td>King &amp; Co.</td>
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<td>Klonaris &amp; Co.</td>
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<td>Lennox Paton</td>
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<td>McKinney, Bancroft &amp; Hughes</td>
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<td>Rousseau &amp; Cooper</td>
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<td>Seymour &amp; Co.</td>
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<th>ACCOUNTANTS</th>
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<tr>
<td>Baker Tilly Gomez</td>
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<td>BDO Mann Judd</td>
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<td>Deloitte &amp; Touche</td>
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<td>Ernst &amp; Young</td>
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<td>FT Consultants Ltd.</td>
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<td>Pannell Kerr Forster</td>
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<td>PricewaterhouseCoopers</td>
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<th>E-BUSINESS &amp; IT</th>
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<td>Cable Bahamas Limited</td>
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<td>IBM Bahamas Limited</td>
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<td>International Private Banking Systems</td>
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<td>Providence Technology Group</td>
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<td>Systems Resource Group Limited</td>
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<td>The Bahamas Telecommunications Company</td>
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<th>MEDIA, MARKETING, PUBLIC RELATIONS, PUBLISHING</th>
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<tr>
<td>DBA Communications Inc.</td>
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<td>Digital Isle Communications Group</td>
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<td>Ettienne Dupuch, Jr. Publications</td>
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<td>The Counsellors Limited</td>
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<td>The Nassau Guardian (1844) Ltd.</td>
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<td>Thyme Online Ltd.</td>
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<th>REAL ESTATE</th>
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<tr>
<td>Bahamas Realty Limited</td>
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<th>OTHER MEMBERS</th>
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<tr>
<td>AF Holdings Ltd.</td>
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<tr>
<td>Bahamas International Securities Exchange</td>
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<td>Inventages WHealth Management Inc.</td>
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JUNE
- STEP AGM – BFSB CEO presents on “Current Initiatives in the Bahamas Financial Services Industry”
- FSI Impact Project – Capacity Transfer Session Oxford Economics/Department of Statistics. BFSB Participates
- Michael Lightbourne is appointed Deputy Governor, Central Bank of the Bahamas
- FATF Plenary announces intent to publish Guidance for the private sector and governments on a risk-based approach to combating money laundering and terrorist financing in addition to releasing two studies on AML/CFT methods and vulnerabilities
- BFSB Executive Meets with new Minister of State for Finance, the Hon. Zhivargo Laing
- BFSB CEO participates in Caribbean Investment Conference in Jamaica
- BFSB CEO presents at the Conference on the Caribbean in Washington, DC
- BFSB Team participates in 1st Meeting of Technical Working Sessions with newly appointed MOF Team (Monthly meetings scheduled for remaining year of year)
- Department of Statistics launches Economic Census 2008 outreach. BFSB Participates in developing questionnaires for the financial services industry
- Securities Commission of the Bahamas hosts Industry Roundtable. BFSB participates and presents Report to Funds Working Group
- 2007-2008 National Budget debated and passed in Parliament
- BFSB launches initiative on Registrar General’s Department Services Log. BFSB invites to continue its work with the RGD
- BFSB agrees to act as liaison between Bahamas Telecommunications Company (BTC)/Industry on matters of concern; requests that BTC establishes a dedicated Service Desk for the financial services industry
- Bahamas Association of Compliance Officers (BACO) hosts AGM and elects Officers
- The Paris Memorandum of Understanding on Port State Control (Paris MoU) releases its latest Flag State Performance List, showing the Bahamas on its “White List”
- Private Trust Company (PTC) Working Group / Central Bank of The Bahamas ongoing meetings on legislation and amendments; practical matters relative to business license and Registrar General’s Department processes
- BFSB Team meets with the FCSP Inspector and his team on legislative issues relating to Private Trust Companies and Foundations
- International Media Outreach: Foreign Policy, Washington Times, New York Observer, Global Assets Online

JULY
- Central Bank of Portugal places The Bahamas in the 0% league for capital weights
- BFSB relaunches Banner Ad campaign
- BFSB launches Survey to access the efficacy of the regulatory environment
- Central Bank of The Bahamas releases its latest “Gross Economic Contribution of the Financial Sector” report
- Association of International Banks & Trust Companies (AIBT) hosts AGM and elects Officers
- Financial Intelligence Unit (FIU) releases Consultation Paper on National AML/CFT Strategy
- IMF releases an update on its World Economic Outlook (WEO)
- Finalists selected for 2007 Financial Services Student of the Year
- CFA Society of the Bahamas hosts AGM and elects Officers

AUGUST
- STEP Worldwide announces Private Client Awards Programme. BFSB & STEP Bahamas submit information to STEP on Best Government Initiative
- RGD Walk-Through with Minister of State for Legal Affairs. BFSB Participates.
- BFSB Announces Plans for first annual Golf Tournament
- BFSB/BTC initiate discussions on establishment of FSI Service Desk and Support Team
- The Bahamas Institute for Financial Services (BIFS) hosts its 31st Annual Awards Ceremony
- The Financial Crimes Enforcement Network (FinCEN) releases a final rule implementing a key provision of Section 312 of the USA PATRIOT Act
- The Bahamas is short listed for Best Government Initiative – STEP Private Client Awards Programme
- 9th Annual Caribbean Commercial Law Workshop – Cayman Islands. BFSB Cosponsors
- International Media Outreach: Institutional Investor, CNBC European Business Magazine

SEPTEMBER
- Pre-Careers Fest Forum with Secondary Schools
- European Briefing Visit – Policy & Legislative Updates
- 2nd China-Caribbean Investment Forum & Briefing Visit, China. BFSB participates
- BFSB Annual General Meeting
- Financial Stability Forum hosts six-monthly Plenary
- Abaco Business Outlook hosted by The Counsellors Ltd.
- Media Outreach: Dupuch Publications, US Media

OCTOBER
- Blue Ribbon Panel Selects 2007 FSI Industry Excellence Award Winners
- BFSB Introduces Lifetime Achievement Award
- Inaugural Caribbean & Central America Law Practice Management Workshop – Cayman Islands
- Tripartite Forum (TRIFOR) – Review of Employment Legislation
- Financial Intelligence Unit (FIU) hosts Forum on National AML/CFT Strategy
- Insurance Institute of the Bahamas (IIB) launches Awards Programme
- BFSB appoints new Chairman: Craig Tony Gomez
- Inter-American Development Bank (IDB) Private Sector Consultations
- BFSB publishes Private Trust Company (PTC) Guide
- BFSB hosts Forum on the relaunching of International Insurance Business
- BFSB launches Trust Review
- OECD Releases “Tax Cooperation: Towards a Level Playing Field” report
- Careers Fest 2007 – Sandals Resort, Nassau. BFSB hosts as part of its Financial Centre Focus Outreach
- Exuma Business Outlook hosted by The Counsellors Ltd.
- Launch of BFSB’s 2007 Essay / Speech Competitions
- Inaugural Caribbean & Central America Law Practice Management Workshop
- 19th Annual International Trust & Tax Planning Summit, New York. BFSB cosponsors, exhibits, presents
- 2007 Financial Services Industry Excellence Awards Banquet. BFSB hosts as part of its FCF Outreach

NOVEMBER
- Bahamas Briefing 2007 – Focus on Private Wealth Management & Insurance sectors
- Bahamas Institute of Chartered Accountants (BICA) Week – Business Seminars & Other Activities
- BFSB’s Funds Working Group meets with new SCB Chairman to discuss funds sector development
- Hedgefund World Bahamas, Atlantis Resort, Paradise Island. BFSB Cosponsors
- BFSB TGF Golf Tournament. Part Proceeds to Ranfurly Home for Children
- BTC hosts Service Forum for BFSB Members
- BFSB Online Newsletter (Vol. 18) published
- 4th Annual Caribbean Regional Compliance Association Conference, Nassau.
- Central Bank releases Consultation papers on Proposed Amendments to AML/CFT Guidelines; Draft Regulations to allow Foreign Banks & Trust Companies to Establish Operations on a Temporary Basis in The Bahamas; and Draft Legislation to amend the Banks & Trust Companies Regulations Act, 2000, relating to the rights and duties of auditors of its licensees
- BFSB provides input on FCSP & IBC Legislative Review
- The IMF releases its latest Regional Economic Outlook: Western Hemisphere report
- International Media Outreach: Trust & Trustees

DECEMBER
- BFSB Hosts Tax & Trade Symposium, BCH Hilton, Nassau
- 31st Miami Conference on the Caribbean
- BFSB / Registrar General’s Department Host “Industry Orientation” Training Forum for RGD personnel
- 2008 FSI Student opens Investment Account at CFAL
- BFSB Speech/Essay Competition ends: Presentation Ceremony Hosted at BFSB’s Offices
- BFSB’s Funds Working Group meets with new Securities Commission Board; Presents on investment funds sector
- Final Report on The Bahamas’ implementation of the Convention provisions of the Inter-American Convention Against Corruption is ratified in Washington, D.C.
- The WTO releases its International Trade Statistics 2007
- The Bahamas Association of Compliance Officers (BACO) announces Jacqueline Hunt (Pictet Bank & Trust) as its Compliance office of the Year
- Office of the Data Protection Commissioner launches official website
- BFSB/BTC further plans for BTC Service Desk for FSI
- Judicial Committee of the Privy Council of Great Britain meets in Nassau
- Bahamian Ambassador to the United States, H.E. Cornelius A. Smith, assumes the three-month rotating chairmanship of the Organisation of American States (OAS) Permanent Council
- European Investments Management Fund, Fidelity Bahamas International Investment Fund, the CFAF Global Bond, the CFAF Global High Equity Fund, and the CFAF High Grade Bond Fund list on the Bahamas International Securities Exchange (BISX)
Growing your wealth, preserving your heritage

Lombard Odier Darier Hentsch & Cie
Private Bankers of reference since 1796

www.lodh.com
Lombard Odier Darier Hentsch Private Bank & Trust Limited - Goodman’s Bay Corporate Centre - West Bay Street - Nassau Bahamas - Tel: (242) 302 2100