



## **Remarks**

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MINISTER OF FINANCIAL SERVICES, TRADE & INDUSTRY,  
AND IMMIGRATION**

***“The Redefinition of International Financial Centres  
In Today’s Everchanging Global Regulatory Environment”***

**PRIVATE WEALTH - LATIN AMERICA & THE CARIBBEAN  
FORUM**

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**Good Morning Ladies and Gentlemen.**

**I am pleased to address you this morning on “The Redefinition of International Financial Centres In Today’s Everchanging Global Regulatory Environment”. I will share my vision for what the financial services industry will look like in the future and some of the initiatives we have embarked upon to ensure that The Bahamas maintains its place as a premier international financial centre. Bringing you the best possible solutions to suit your needs.**

**Over the past few months, in my capacity as the Minister of Financial Services for The Bahamas (since May of this year), I have recognized that there is a critical need for International Financial Centres (IFCs) like The Bahamas, to redefine their value proposition. The Bahamas and South Florida are closely connected in history as well as business relations. We are very familiar with each other and are a natural fit for Private Wealth Management needs offshore. Located only 50 miles off the coast of south Florida, we are the best solution to the needs of High Net Worth Clients Needs. And, as we know all too well. In today’s everchanging global regulatory environment, it is not business as usual, in fact it is business differently, tailored to**

demand, addressing the needs of clients. International regulation has not killed the business of international financial centres like The Bahamas, it has changed how we cater to the needs of our clients.

For international wealth planners, there is no doubt that IFCs will continue to have very important roles to play in the delivery of wealth planning tools to meet the needs and objectives of High Net Worth (HNW) Clients. However, in order to remain relevant, IFCs must change how financial products and services are delivered. They must do this by being fully transparent and compliant with global regulatory standards and initiatives by international bodies such as the OECD and the FATF.

This is why The Bahamas has taken the initiative to rebrand itself as the “Clear Choice” for financial professionals delivering services around the world to HNW clients. Tailoring products and services to the needs of targeted clients, will aid in the deliverance of the best possible result. The Bahamas government has decided to adopt a new regime that will not require excessive protocols and bureaucratic administration for this to be implemented.

**Financial services is integral to the sustainability of the economy of The Bahamas. It is the second pillar of the Bahamian economy, the first being tourism (as with other small island states in the Caribbean), and it accounts for more than 15% of our country's GDP. We are committed to supporting the efforts of the financial services providers in our country. We will provide the platform and enable the necessary policies, processes, legislation and administrative services to allow these providers to operate more efficiently, and grow the financial services industry. When you, as clients, seek services in The Bahamas, we want you to:**

- 1. expect efficient service, from skilled and educated professionals,**
- 2. choose innovative products and services in a transparent and compliant environment, and**
- 3. experience the latest technological advancements to support systems in the delivery of financial services to suit your needs.**

**This is how we will establish The Bahamas as the "Clear Choice" second to none. A destination that is easy to get to via a state of the art airport located just 50 miles from the east coast of Florida, where you can come to:**

- set up a business or partner with existing Bahamian businesses,**

- live in luxury island style or modern accommodation in safe neighbourhoods where your children can attend schools offering world class education,
- utilize financial products and services that cater to you HNW clients, where you can live a good quality of life, and
- receive world class health care.

As you know, operating in the Caribbean and Latin American region means that we are prone to impending natural threats of hurricanes. The Bahamas has long established protocols in its building codes which are designed to withstand hurricane force winds – a model so successful I might add, that it has been copied and incorporated into the building code in Florida, USA. Businesses must have business continuity plans in place as a matter of policy, and disaster relief efforts continue to be improved in The Bahamas where we are able to not only improve response time for our citizens and residents, but also for our neighbours in the region. This is how we protect your investments and preserve confidence in the ability for there to be the least amount of disruption to your business operations.

### **COMMON REPORTING STANDARD (CRS)**

- **The Bahamas Government announced in May of this year, its decision to take steps toward adopting the Multilateral approach for the implementation of the Common Reporting Standard. This decision was made as part of our efforts to ensure we meet the implementation deadline in September 2018. We are actively engaged in the process of completing the requirements for signing the Convention on Multilateral Mutual Assistance in Tax Matters.**
- **This is an ongoing process for The Bahamas to be accepted as a Party to the Convention.**

❖ **Base Erosion and Profit Shifting (BEPS)**

- As The Bahamas seeks to address globalization and attract more business to its shores, we are reviewing our current tax structure. Presently, the country is absent of a corporate tax structure, income tax structure and existing tax treaties or double taxation agreements which are all encompassing of the core purpose and principles of BEPS. With the signing on as a member of the inclusive framework, The Bahamas' commitment to transparency with the OECD will be affirmed. A commitment to implement

BEPS has not been made, however we are actively engaged in consultation and dialogue on this matter.

- **Tax transparency and co-operation are my Ministry's commitment to once again ensure that we do not jeopardize our reputation and protect our jurisdiction from illicit activity. Our survivability is paramount and we will continue to demonstrate that we are a trustworthy, competent and compliant jurisdiction, not just in words, but also by our actions.**

## **OUTLOOK FOR THE FUTURE**

**As Minister, I see untapped opportunities in areas where not only The Bahamas, but indeed the region must improve efficiencies.**

**We must work together to reposition ourselves and remove the negative international "perception" hanging over international financial centres.**

**In order to sustain our survival, relevance and existence, we must refocus on what has worked for us in the past and capitalize on those successes for a sustainable future.**

As my Ministry continues to partner with our Latin American and Caribbean intermediaries, it is our prime focus to ensure that The Bahamas has a high level of visibility in the global market. We are here to provide solutions.

The Bahamas Ministry of Financial Services along with the Bahamas Financial Services Board representing the private sector, work collaboratively to ensure the sustained viability of the financial services sector in The Bahamas (a relationship we are very proud of). We look forward to a continued partnership with the organizers of this event and we wish you continued success.

Thank you and enjoy the rest of conference.

**END.**