

DOMESTIC DEVELOPMENTS

A roundup of important industry developments in the domestic financial services market

INTERNATIONAL INITIATIVES

Global initiatives and actions of relevance to industry stakeholders

INDUSTRY EVENTS POSTPONED

Due to the COVID-19 global pandemic, several key industry events have been postponed

Message from the CEO



Dear Members,

At this time of global challenge arising from the coronavirus (COVID-19) pandemic, we at The Bahamas Financial Services Board wish to assure our members, key stakeholders and partners locally and internationally of our care and concern. We thought it was important to reach out to you

and assure you that we continue to be available to assist with any queries that you might have. Please do not hesitate to contact us at info@bfsb-bahamas.com should you have any questions or concerns at this time.

Be assured that over the past month we have been collaborating with policy makers and regulators to address any concerns that you have raised. To this end, we have seen some developments in the domestic context to assist you with continuing to service your clients. Most recently, BFSB has been invited to serve on the national economic recovery committee due to the importance of our sector and the need to ensure its continued growth and sustainability.

We welcome your recommendations and suggestions in this regard which may be submitted to our BFSB email account or directly to ERC@bahamas.gov.bs. BFSB also continues to monitor international initiatives that impact our sector and will keep you apprised of developments in this regard.

Throughout this global challenge, we will remain available to assist you. Our thoughts and prayers are with all those feeling the effects of COVID-19. Please remember to check your email for our regular notices.

- Tanya McCartney

Domestic Developments

BENEFICIAL OWNER REGISTER

On April 2nd, 2020 The Office of the Attorney General as Competent Authority for the Register of Beneficial Ownership issued the following notice:

“Please note that the suspension of obligations pursuant to the Register of Beneficial Ownership Act, 2018 and the 60 days given post lifting of the Emergency Order allows for you to be onboarded to fulfil your obligations post the March 31 2020 deadline.

Kindly continue with the onboarding as scheduled between you and the BDO team as well as uploading your BO information. It was never the intent that you would abruptly halt or delay the onboarding process. This is an urgent request for you to continue the process as the contractual agreement with BDO has not been suspended and this urgent process must be completed remotely as soon as humanly possible.”

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Domestic Developments

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SECURITIES COMMISSION OF THE BAHAMAS: EXTENSION OF STATUTORY FILING DEADLINES

The Commission is granting an extension for filing of audited financial statements and annual reports, for persons registered or licensed pursuant to the SIA or the IFA, whose deadlines fall between 1st April 2020 and 30th June 2020.

Instances where this extension does not apply:

- where the Commission has already granted an extension to a filing deadline for previously due audited financial statements. The deadline of the previously granted extension shall remain in effect.
- to filing deadlines for interim financial statements.
- to statutory requirements to report material changes to the Commission, including material changes which require the approval of the Commission.

[Click here to view](#) the schedule containing the new deadlines based on the extension being granted.



CENTRAL BANK OF THE BAHAMAS: RESPONSE TO COVID-19

The Central Bank's operations remain accessible during the COVID-19 pandemic.

DEFERRAL OF LOAN PAYMENTS FOR BORROWERS DISPLACED BY COVID-19 PANDEMIC

The Central Bank of The Bahamas has arranged with domestic banks and credit unions to provide a 3-month deferral against repayments on credit facilities for businesses and households that were negatively impacted by the COVID-19 pandemic, on condition that such payments will resume, with accrued interest, when the financial circumstances of such borrowers recover. Therefore, Borrowers are advised to take advantage of payment deferrals, only when other options or adjustments do not exist.

Some financial institutions have announced credit support that could extend beyond three months. In these instances, the Central Bank will extend tolerant regulatory treatment to exclude these credit balances from being classified as arrears or restructured loans. Read more [here](#).



BAHAMAS GOVERNMENT REGISTERED STOCK (BRS)

The public can continue to apply to invest in primary and secondary market sales in Bahamas Government Registered Stock (BRS). All offerings are posted on the front page of the Bank's website with instructions on how to make subscriptions. Existing investors with BRS investment accounts can submit their applications by email and have their payments processed by wire transfers through their commercial banks. New investors can establish their BRS accounts by having their KYC due diligence submissions endorsed by their existing bank, and by submitting the application by email. BRS purchase request can be submitted to domesticdebt@centralbankbahamas.com. Read more [here](#).

EXCHANGE CONTROL APPLICATIONS

With few exceptions, public applications for Exchange Control approvals can be directly processed through commercial banks. In the exceptions, applications can be submitted by email to ECD@centralbankbahamas.com using either a copy of the online form or by outlining particulars of the request in the body of the email message. Read more [here](#).

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UPCOMING BFSB PUBLICATIONS

MAY 2020:

Bespoke Bahamas Report
Wealth Briefing

JUNE 2020:

Bahamas Jurisdiction Update
IFC Review's Caribbean Report

Opalesque Bahamas
Roundtable

Bahamas Report
Global Funds Media

Bahamas Report Ezine
International Investment

Bahamas Advertorial
STEP Journal

REGISTRAR GENERAL'S OFFICE - COMPANIES DEPARTMENT - NEW PROCEDURES

RGD has established the following procedure to facilitate a number of companies related requests:

- i. Please send requests along with required documents for registration to the relevant email address below:

| Service | Email Address |
|--|-----------------------------------|
| Foundations | foundations@bahamas.gov.bs |
| ICONS | icons@bahamas.gov.bs |
| Executive Entities | executiveentities@bahamas.gov.bs |
| Segregated Accounts Companies | segregatedaccounts@bahamas.gov.bs |
| Changing registered agent of an IBC | changeofagentsibc@bahamas.gov.bs |
| Changing the registered agent of a Companies Act company | changeofagentsreg@bahamas.gov.bs |
| Certificate of good standing for an IBC which cannot be facilitated via online portal | ibcgoodstandings@bahamas.gov.bs |
| Continuation of a company under IBC Act | ibccontinuations@bahamas.gov.bs |
| Filing IBC amended and restated documents | ibcamendrestate@bahamas.gov.bs |
| Commencing an IBC Dissolution | ibcdissolutions@bahamas.gov.bs |

- ii. Once the request has been processed, an email will be sent from COMPANYPAYMENTS@BAHAMAS.GOV.BS with a credit card payment authorization form attached. Kindly return form duly completed along with a copy of a valid Identification in the name of the credit cardholder. The card payment will be manually processed and a copy of the receipt for payment will be sent.
- iii. Once payment is complete, the relevant certificate will be emailed. As it relates to the filing of IBC Amended & Restated documents, only the pages with the Registrar's certification affixed, will be returned via email. With respect to any Change of Registered Agent requests, notification will be sent once the change has been made.

SUBSTANCE REPORTING - EXTENSION OF REPORTING DEADLINE

The Ministry of Finance extended the deadline for economic substance filing by 3 months for all entities reporting for fiscal year 2019. As a consequence, all entities with a fiscal year end after 30th June 2019 that are required to submit economic substance filings pursuant to the Commercial Entities (Substance Requirements) Act, 2018 will have to file within 12 months of the date of their 2019 fiscal year end. Penalties for failure to file within the 12 month period and any other enforcement provisions of CESRA will be applicable from the first day following the expiration of the extended 3 month period. Read more [here](#).

EMERGENCY ORDERS RELEVANT TO INDUSTRY

The Government of The Bahamas declared a state of emergency in response to the COVID-19 pandemic. A number of emergency orders have been issued pursuant to this declaration.

We highlight those which are particularly relevant to financial services. For more details you may visit the website of the Competent Authority which is the Office of the Prime Minister. We have also posted the orders to our website [here](#).

a. Deferral of licensing/payment of fees requirements:

Emergency Powers (COVID 19) (Special Provisions) Order, 2020

Order 3 provides for the suspension of certain obligations under enactments. The requirement under any enactment to file a document with; to pay a fee to; to renew a license, visa, or permit issued by, any government entity, statutory body or regulator will be suspended from the 17th March 2020 for the duration of the state of public emergency and thirty days thereafter.

The foregoing does not apply to the Customs Management Act, 2011; the Value Added Tax Act, 2014; the Real Property Tax Act; the National Insurance Act.

Order 5 suspends the period of transition referred to in section 18 of the Register of Beneficial Ownership Act, 2018 for the duration of the state of public emergency and for sixty days thereafter.

Order 6(1) suspends the requirement under the Companies Act (Ch. 308) to pay any fee in accordance with the Third Schedule thereof; make any payment instalment in an arrangement thereunder; or file any declaration or document in accordance therewith, from the 17th March, 2020 for the duration of the state of public emergency and extending fourteen days thereafter.

Order 6(2) suspends the requirement under the International Business Companies Act (Ch. 309) to - pay fee; or to file any declaration or document, from the 17th March 2020 for the duration of the state of public emergency and extending fourteen days thereafter.

b. Requirement for Affixing Common Seal of company

According to Order 7, from 17th March 2020 and for the duration of the state of public emergency and extending fourteen days thereafter, any document:

- i. purporting on its face to be a deed will be conclusively deemed to be a deed notwithstanding that no seal is actually impressed thereon or affixed thereto;
- ii. required by any company incorporated under the Companies Act or the International Business Companies Act to have its common seal affixed shall be conclusively deemed to have met that requirement notwithstanding that no such common seal is actually impressed thereon or affixed thereto, as long as the intention to affix the said seal is declared in the relevant document.

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International Initiatives



FATF RESPONSE TO COVID-19

As part of a coordinated response to the global COVID-19 pandemic, the FATF has published a statement clarifying the application of FATF Standards in the current context. The FATF encourages the fullest use of responsible digital customer onboarding and delivery of digital financial services considering social distancing measures. At a time when critical relief is needed in-country and beyond, effective implementation of the FATF Standards fosters greater transparency in financial transactions, which gives donors greater confidence that their support is reaching their intended beneficiaries. The continued implementation of the FATF Standards facilitates integrity and security of the global payments system during and after the pandemic through legitimate and transparent channels with appropriate levels of risk-based due diligence. Read more [here](#) or contact BFSB at info@bfsb-bahamas.com.

COVID-19 RELATED MONEY LAUNDERING AND TERRORIST FINANCING: RISKS AND POLICY RESPONSES

As the world battles COVID19, a new [FATF paper](#) outlines the challenges and policy responses to combat money laundering and terrorist financing risks emerging during the pandemic. The paper contains updates that have been shared with FATF members and partners.



OECD DEVELOPMENTS

The Organization for Economic Cooperation and Development is on course to conclude its rewrite of the global tax rules by the end of the year despite the COVID-19 pandemic, the head of the group's tax unit said Friday. Speaking at a virtual conference organized by London-based Jericho Chambers, Pascal Saint-Amans, who is leading negotiations among 137 countries and territories, said adapting the global tax framework for the digitalized economy remains a priority for world leaders. Read more [here](#).

The OECD has issued a Report on Tax and Fiscal Policy in Response to the COVID-19 crisis. This report focuses on how tax policy can aid governments in dealing with the COVID-19 crisis.

The report takes stock of the emergency tax and fiscal policy measures introduced by countries worldwide. It discusses how tax and fiscal policy can cushion the impact of continued containment and mitigation policies and subsequently support economic recovery. It also outlines the major policy reforms that will be needed to prepare for restoration of public finances. Read more [here](#).

DOMESTIC DEVELOPMENTS

Concluded

c. Flee Mitigation Provision

Emergency Powers (COVID-19) (Amendment) (No. 2) Regulations, 2020

The Emergency Powers (COVID-19) Regulations was amended to include a provision relative to trusts. Initially, the COVID Regulations declaration of a state of emergency may have potentially triggered the flight of Bahamian trusts as a number of the older trusts have "flee clauses" which take place when a state of emergency is declared. Regulation 24 addresses Flee clauses, which seeks to limit such an effect.

Wherever there is a provision (a "flee clause") in a trust instrument governed by Bahamian law to the effect that the trust in question shall, in the event of a proclamation of a state of emergency in The Bahamas, cease to have –

- i. Bahamian law as its governing law;
- ii. The Bahamas as its forum and situs of administration; or
- iii. as its trustee a trustee in The Bahamas,

such trust instrument shall be treated (despite any provision in the trust instrument that might be considered a contrary provision) as having from its date contained immediately thereafter the following provision:

"Provided always that the flee clauses does not extend to the proclamation of a state of emergency as a result of a pandemic; and provided further that any actions carried out without taking account of such proviso shall be null and void from the outset."

STAY UP TO DATE

For financial services sector news visit bfsb-bahamas.com and follow BFSB on [Facebook](#) and [LinkedIn](#).

POSTPONED EVENTS

LANDFALL AND BRIEFING SESSIONS

The London and Switzerland Landfall events that we were scheduled for the week of March 20th were postponed due to the outbreak of the COVID19 pandemic. Steps are being taken to host these events in a virtual format.

CEO CONCLAVE AND POLICY SUMMIT

The Summit which was scheduled for April 16th has been postponed. We are collaborating with the Ministry of Financial Services with a view of facilitating a virtual industry briefing session. As the plans are developed, we will update members.

THE NASSAU CONFERENCE

The 2020 Nassau Conference hosted by The Association of International Banks and Trust Companies which was scheduled for September has been postponed to 2021.