



DOMESTIC DEVELOPMENTS

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



INTERNATIONAL INITIATIVES

Regional and international initiatives and actions of relevance to industry stakeholders



New laws passed to Govern Banks and Trust Companies

On July 6th, 2020 parliamentarians debated and passed a compendium of bills aimed at enhancing governance and the transparency in The Bahamas' monetary policy and fiscal responsibility framework. The Central Bank of The Bahamas Bill, 2020; The Banks and Trust Companies Regulations Bill, 2020 and The Protection of Depositors (Amendment) Bill, 2020 address financial sector crisis management and the acceleration of the development of the domestic payment systems.

It also modernizes the payment and settlement system while providing relief and recourse for the Central Bank to act in the event that financial institutions find themselves in difficulty. The Banks and Trust Companies Regulation Bill, 2020 and the Central Bank of The Bahamas Bill, 2020 have been posted to our [website](#). Read more [here](#).



Central Bank of the Bahamas Quarterly Letter on Regulatory and Supervisory Development

The Central Bank of the Bahamas (CBOB) quarterly letter issued on July 1, 2020 indicated that in the past quarter the focus has shifted to managing the operational and economic fallout from the COVID-19 outbreak.

The Central Bank has also continued its work towards a more hurricane-resilient financial system, and ongoing work in supervisory analysis and intervention.

Read more [here](#).

Migration of Economic Substance Reporting Portal

On June 29, 2020 the Regulatory & International Affairs Unit, of the Ministry of Finance (Competent Authority) issued a Public Notice advising that the beta Economic Substance Reporting Platform will be integrated with the Ministry of Finance's OTAS (VAT) reporting portal on July 1st 2020. The beta platform ceased operation on June 30th, 2020.

Entity registrations and economic substance reports already submitted in the beta platform will be migrated to OTAS.

<https://substancereporting.revenue.gov.bs>

Existing OTAS login details as well as those created in the beta platform can continue to be used. Entities that have already submitted economic substance reports will be notified by email when their information is available for viewing.

The new web address of the Economic Substance Reporting Portal to complete entity registrations and to file economic substance reports can be accessed [here](#).

DOMESTIC DEVELOPMENTS

Continued



Registrar General's Department Resumes Normal Business Operations

Please be advised that The Registrar General's Department has advised that it resumed normal business hours on Monday, 29th June 2020 from 9:30am to 4:30pm. The Registrar General's Department has implemented a Drop Box service for the following:

1. Companies – All company filings and requests, including annual fee payments and requests for restoration.
2. Deeds and documents – All deeds and other documents along with the completed Instrument Data Form.
3. Intellectual Properties – All applications, renewals, queries, and payments.
4. Marriages – completed Form No. 9

Click [here](#) to view notice.

Bahamas 'Pressing' For October FATF Removal

The Bahamas is "pressing" to be removed by October 2020 from a list of countries with identified weaknesses in their anti-financial crime defences, the Attorney General has indicated. Carl Bethel QC, in his contribution to the 2020-2021 Budget debate, told the Senate that the Government was pushing the Financial Action Task Force (FATF) to complete its "site visit" in time to ratify The Bahamas' escape from its "enhanced monitoring" list at its October meeting. Read more [here](#).



Protocols for Travel To The Bahamas

The Islands of The Bahamas re-opened its borders and welcomed international travelers back to our beautiful island nation on July 1. The health & wellbeing of our residents and visitors is a number one priority at The Government of the Bahamas has put specific protocols in place.

Prior to arrival, all travellers are required to complete the following:

1. An electronic [Health Visa](#).
2. COVID-19 RT-PCR Test with a Negative Result
3. Those arriving in The Bahamas between July 1 and July 6 must present results no more than ten (10) days old. Those arriving in The Bahamas from July 7 and beyond must present results no more than seven (7) days old.
4. Travellers are required to upload test results in the Health Visa portal and present test results upon arrival.
5. Children under two not required to have the test.
6. Children between 3 and 10 must take a test, unless proof is presented upon arrival that state/county does not administer tests for children in this age range.
7. NO quarantine required.
8. Failure to comply with any of the requirements will result in denied entry.

Click [here](#) for more details.



Ministry of Financial Services, Trade & Industry and Immigration Budget Contribution

The Minister of Financial Services, Trade & Industry and Immigration, the Hon. Elsworth Johnson, noted during his budget contribution, that the Ministry is working closely with the Bahamas Financial Services Board and Industry stakeholders to embark on an industry strategic planning initiative to implement policies to promote the growth of the financial services sector.

In an effort to be responsive to the sector's need, the Ministry of Financial Services intends to advance an aggressive legislative and policy agenda over the coming months. Full remarks can be viewed [here](#).

Securities Commission Issues a Public Notice on MLM – Forex Scam in The Bahamas

The Securities Commission issued a public notice on July 1, 2020 on Forex scam in The Bahamas. It was brought to the Commission attention that members of the public are being solicited to join programs being presented as multi-level marketing (MLM) programs offering training so they can personally invest in foreign currency exchange trading, or 'FOREX' as it is commonly called. Read more [here](#).

INTERNATIONAL INITIATIVES



The Basel Committee Introduces Guidelines on Cooperation and Information Sharing

The Basel Committee has introduced guidelines on cooperation and information exchange among prudential and AML/CFT supervisors for banks. These guidelines are intended to enhance the effectiveness of supervision of banks' money laundering and financing of terrorism risk management, consistent with and complementary to the goals and objectives of the standards issued by the Financial Action Task Force (FATF) and principles and guidelines published by the Basel Committee.

The revised guidelines include new paragraph 96 in Part IV (the role of supervisors) and Annex 5 (Interaction and cooperation between prudential and AML/CFT supervisors).

Annex 5 sets out specific principles, recommendations and descriptive examples, to facilitate effective and efficient cooperation in relation to authorisation related procedures of bank, ongoing supervision, and enforcement actions. It also describes possible methods of implementation including mechanisms to facilitate such cooperation at the jurisdictional and international level.



FATF under new German Presidency (2020-2022)

FATF President Marcus Pleyer presented his objectives for the first two-year Plenary period (July 2020 - June 2022) to the June 2020 Virtual Plenary.

During the German Plenary years, the FATF will prioritise work in the following areas:

- Digital Transformation of AML/CFT
- Financing of ethnically or racially motivated terrorism
- Money laundering and migrant smuggling
- Environmental crime
- Illicit arms trafficking

During the Germany Presidency, the FATF will continue to deliver its core work of identifying risks, setting standards, evaluating and holding countries to account for effective action. Read more [here](#).

Public consultation on proposed amendment to FATF's Recommendation 1 - Assessing Risks & Applying a Risk-based Approach

The Financial Action Task Force (FATF) is considering proposals for amendments to Recommendation 1 and its Interpretive Note to require countries and the private sector to identify, and assess the risks of potential breaches, non-implementation or evasion of the targeted financial sanctions (TFS) related to proliferation financing, as contained in FATF Recommendation 7, and to take action to mitigate these risks. Click [here](#) to view the draft amendments.

OECD welcomes 'tremendous progress' against offshore tax evasion

The OECD noted that the international community continues making tremendous progress in the fight against offshore tax evasion. Nearly 100 countries carried out automatic exchange of information in 2019, enabling their tax authorities to obtain data on 84 million financial accounts held offshore by their residents, covering total assets of EUR 10 trillion.

This represents a significant increase over 2018 – the first year of such information exchange – where information on 47 million financial accounts was exchanged, representing EUR 5 trillion. The growth stems from an increase in the number of jurisdictions receiving information as well as a wider scope of information exchanged. Read more [here](#).