



PUBLIC NOTICE

Source: Regulatory & International Affairs Unit, Ministry of Finance

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Notice on compliance with section 7 of the Commercial Entities (Substance Requirements) Act, 2018 ("CESRA") as a consequence of COVID 19 related travel and/or other restrictions.

In light of the COVID 19 pandemic, the following temporary framework has been put in place to provide clarification to included entities on compliance with the direction and management test of CESRA:

- a) Where an included entity's operating practices have been adjusted as a result of the COVID-19 pandemic, such entity will not be regarded as having failed the direction and management test in instances where it is not possible or feasible to hold a meeting of the Board of Directors physically in The Bahamas due to COVID 19 related travel and/or other restrictions (whether within The Bahamas or otherwise). In such instances, a virtual meeting will be sufficient;
- b) The entity shall document and have readily available for production to the Competent Authority, upon request, details of any adjustments to its operating practices as a result of the COVID 19 pandemic, including the specific restrictions hindering compliance with the requirement to hold a physical meeting in The Bahamas or any other provision of section 7. The circumstances of the said restrictions must be reflected in the minutes of any meeting of the Board of Directors not held within The Bahamas and such minutes must be retained in The Bahamas;
- c) The determination of the actual impact of COVID 19 related travel and/or other restrictions on the entity's ability to comply with section 7 shall be made and documented by each included entity on a case by case basis.

It should be noted that this guidance applies only to the issue of compliance with the Direction and Management test as expressed in section 7. In accordance with section 12, the information shall be spontaneously exchanged, if and where relevant.