

**BFSB**

NEWSLETTER

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BFSB-BAHAMAS.COM**WHAT'S INSIDE:****DOMESTIC UPDATES:** Industry developments in the domestic financial services market.**INTERNATIONAL & REGIONAL NEWS:** Regional & international initiatives and news of interest to industry stakeholders.**UPCOMING EVENTS**
March - April 2021

DOMESTIC UPDATES ▼



A NEW IDB STUDY LAYS OUT SPECIFIC REFORM AGENDAS FOR THE BAHAMAS, BARBADOS, GUYANA, JAMAICA, SURINAME, AND TRINIDAD AND TOBAGO

To build resilience against external shocks and recover from the COVID-19 pandemic, Caribbean countries must advance key fiscal and financial reforms that range from stronger tax and pensions systems to improved debt and financial management, a new study by the Inter-American Development Bank (IDB) says. Read more [here](#).



FINANCIAL INTELLIGENCE UNIT 2021 AML/CFT SEMINAR FOR FINANCIAL INSTITUTIONS SCHEDULE

The Financial Intelligence Unit (FIU) will be offering training for relevant employees of financial institutions in AML/CFT standards to fill their obligations for annual training in accordance with section 6(2) of the Financial Intelligence (Transactions Reporting) Regulations 2001.

Institutions and individuals interested in attending any of the sessions are encouraged to register as soon as possible as spaces are limited for each session. Interested institutions or individuals should send an email to: training@fiubahamas.bs. Click [here](#) to view the 2021 training schedule with dates and times.

BAHAMAS REMOVED FROM FRANCE BLACKLIST

The Government of France has removed The Bahamas from the French list of non-cooperative states and territories in tax matters. The list, which is updated annually by the French Ministry of Economics and Finance, was published in the Official Diary of the French Republic on March 4. Read more [here](#).



PUBLIC CONSULTATION ON PROPOSED LEGISLATION FOR THE REGULATION OF THE PROVISION AND USE OF CENTRAL BANK ISSUED ELECTRONIC BAHAMIAN DOLLAR

The Central Bank of The Bahamas released a Consultation Paper setting out its proposals for legislation to regulate the provision and use of Central Bank issued Electronic Bahamian Dollars on 15th February, 2021. The Consultation Paper summarizes the key provisions of the draft Central Bank (Electronic Bahamian Dollars) Regulations 2021 ("the draft Regulations"). The Central Bank is also proposing other consequential amendments to the Payment Systems Act (No. 7 of 2012) and the Computer Misuse Act (Ch. 107A).

These legislative amendments are set out in the draft Payment Systems (Amendment) Bill 2021 and the draft Computer Misuse (Amendment) Bill 2021. The proposed amendments support the draft Regulations and will help to establish a comprehensive legislative framework. The consultation period will end on 31st March, 2021. These draft Bills and the draft Regulations may be found in the Annexes to the Consultation Paper. Please click [here](#) to view the consultation paper.

CONTINUED FROM PAGE 1

CENTRAL BANK ANNOUNCES ADDITIONAL SAND DOLLAR AUTHORISED FINANCIAL INSTITUTIONS

The Central Bank of The Bahamas advises the public that three additional financial institutions have completed the Sand Dollar cybersecurity assessment. These organisations are now authorized to distribute the digital currency and have earned the designation Sand Dollar authorised financial institution (AFI). The Bank of The Bahamas and the Teachers and Salaried Workers' Cooperative Credit Union are the first clearing bank and credit union authorized to participate in the Sand Dollar space. Both institutions will use the Sand Dollar app. Island Pay, a payment services provider, has met the requirements to offer Sand Dollar services through its proprietary mobile application. These three institutions are finalizing internal procedures and will begin offering Sand Dollar services to the public within the first or second quarter of 2021. Click [here](#) to read more.

CENTRAL BANK REPORT: MARGINAL ECONOMIC GROWTH IN 2021

The Central Bank of The Bahamas' Monthly Economic and Financial Developments (MEFD) for January 2021 explains that The Bahamas will experience only marginal growth this year due to the ongoing COVID-19 pandemic threat. The MEFD report explains that the success of tourism, the country's largest income earner, will depend on how source market countries like the United States and Canada manage their control of the pandemic. With tourism figures dependent on the country's success in beating back the pandemic, the CBOB report notes that the economy could receive some stimulus from new and ongoing foreign investment-led projects, as well as post-hurricane rebuilding works. It added that the construction sector will likely lead the way in new hires, along with whatever employment the phased reopening of the tourism segments will provide. The report further states that government net financing needs will remain high due to the residual effects of Hurricane Dorian, as well as outlays for health and social welfare because of the pandemic. And while the country's foreign reserve balance is expected to contract during the year because of needs from the private sector, those balances are expected to remain healthy and will not affect the Bahamian dollar currency peg. Read more [here](#).

UPCOMING EVENTS ▼

Virtual Policy Action Summit

**MARCH
24TH & 25TH
2021**

The Ministry of Financial Services, Trade and Industry and Immigration in partnership with The Bahamas Financial Services Board will host a half day Virtual Policy Action Summit on March 24 and 25th ,2021 from 8:00am -12:00pm. This will take the place of BFSB's Annual International Business and Finance Summit.

Virtual Bahamas Landfall Series

Session 1: Bahamas Value Proposition

WEDNESDAY
APRIL 7, 2021

Session 2: Investment Funds

THURSDAY
APRIL 8, 2021

Session 3: Fintech

WEDNESDAY
APRIL 14, 2021

Session 4: Economic Substance & Immigration

THURSDAY
APRIL 15, 2021

Bahamas Landfall events are designed to provide financial service intermediaries and other service providers in specific markets with updates on legislative and business developments in The Bahamas and to enable participating BFSB members to connect with potential business opportunities.

INTERNATIONAL & REGIONAL NEWS ▼



PUBLIC CONSULTATION ON FATF GUIDANCE ON PROLIFERATION FINANCING RISK ASSESSMENT AND MITIGATION

The Financial Action Task Force (FATF) is developing Guidance to help both public and private sectors in implementing the new requirements to identify, assess, understand and mitigate proliferation financing risk as defined in Recommendation 1 and its Interpretive Note. The Guidance seeks to assist both sectors in conducting a risk assessment in the context of proliferation financing and applying corresponding risk mitigation measures.

The FATF is consulting private sector stakeholders before finalizing the Guidance. The FATF is seeking views from financial institutions and designated non-financial businesses and professions (DNFBPs), but also welcome contributions from other interested stakeholders.

Please provide any feedback, including any drafting proposals to [FATE.Publicconsultation@fatf-gafi.org](mailto:Publicconsultation@fatf-gafi.org) with the subject-line "Comments of [author] on the draft Guidance on Proliferation Financing Risk Assessment and Mitigation", by 9th April, 2021. Click [here](#) to view the Guidance.

OUTCOMES FROM THE FATF FEBRUARY 2021 PLENARY

The second Plenary of the FATF under the German Presidency of Dr. Marcus Pleyer took place on 22, 24 and 25 February. Delegates representing the 205 members of the Global Network and observer organisations, such as the IMF, the United Nations, and the World Bank, worked through a full agenda to strengthen global safeguards to detect, prevent and disrupt the financial flows that fuel crime and terrorism.

Delegates continue to work to stamp out the laundering of proceeds of crimes including those linked to the COVID-19 pandemic. As countries focus on recovering from this crisis, it is more important than ever to fully and effectively implement the FATF Standard and take a risk-based approach to mitigating money laundering and terrorist financing risks.

The FATF also advanced its work on ongoing key issues. These include digitalization, which has the potential to make anti-money laundering and counter-terrorist financing (AML/CFT) action more effective and efficient. In particular, the FATF agreed to start new work on digital transformation of AML/CFT for operational agencies. The FATF also continued discussions on the strategic review, which will shape the next round of mutual evaluations and make them timelier and risk-based.

Delegates explored potential amendments to further strengthen the FATF requirements on beneficial ownership. The FATF's mutual evaluations, as well as high-profile examples of abuse, demonstrate that criminals are still able to hide their illicit assets behind anonymous or complex legal structures. Delegates discussed how to improve transparency and ensure that up-to-date beneficial ownership information is available to authorities.

The FATF also discussed the preliminary findings in its ongoing work to overcoming the challenges linked to the effective recovery of criminals' assets, tackle money laundering from environmental crimes and the financing of ethnically and racially motivated terrorism. Read more [here](#).



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INTERNATIONAL & REGIONAL NEWS ▼



OECD CALLS ON COUNTRIES TO CRACK DOWN ON THE PROFESSIONALS ENABLING TAX, WHITE COLLAR CRIMES

On February 25th, the OECD issued a statement stating that Countries should increase efforts to better deter, detect and disrupt the activities of professionals who enable tax evasion and other financial crimes, according to a new OECD report. The Report explores the different strategies and actions that countries can take against those professional service providers who play a crucial part in the

planning and pursuit of criminal activity, referred to in the report as “professional enablers.”

White collar crimes like tax evasion, bribery and corruption are often hidden through complex legal structures and financial transactions facilitated by lawyers, notaries, accountants, financial institutions, and other professional enablers. The aim of the new OECD report is to assist countries in dealing with the small subset that use their specialized skills and knowledge to enable clients to defraud the government and evade their tax obligations. Click [here](#) to view the full report.

FINCEN ISSUES ADVISORY ON FINANCIAL CRIMES TARGETING COVID-19 ECONOMIC IMPACT PAYMENTS

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to alert financial institutions to fraud and other financial crimes related to the Economic Impact Payments (EIPs),¹ authorized by

the Coronavirus Aid, Relief, and Economic Security (CARES) Act,² and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. Read more [here](#).

IOSCO REVIEWS IMPLEMENTATION OF LIQUIDITY RISK MANAGEMENT RECOMMENDATIONS AND MARKET PARTICIPANTS’ RESPONSES TO COVID-19 INDUCED MARKET STRESSES

On March 5th, 2021 IOSCO launched its Thematic Review of the Recommendations for Liquidity Risk Management for Collective Investment Schemes issued by IOSCO in 2018. The Recommendations are meant to ensure that liquidity risk is managed to safeguard and protect the interests of investors, including in stressed market conditions.

They are also designed to address potential structural vulnerabilities in the asset management sector that could impact financial stability. Read more [here](#).

