

**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

DOMESTIC UPDATES ▼**GUIDANCE REGARDING THE
MINISTRY OF FINANCE'S NOTICE RE:
OUTSTANDING REAL PROPERTY TAX**

The Ministry of Finance has issued a notice to the Securities Commission of The Bahamas which applies to all licensees and registrants of the Commission who are in the business of money lending. Money lenders who have extended loans where real property is held as collateral are considered mortgagees for the purpose of this notice.

The effect of this notice is that money lenders must ensure that real property taxes are paid up to date on all property against which a loan has been issued. Licensees are further advised that the Commission will review, as part of its regulatory function, whether licensees are complying with their responsibilities under the RPTA.

Read more [here](#).

**THE BAHAMAS GOVERNMENT NOTICE PROHIBITING ENGAGING
IN TRANSACTIONS LINKED TO RUSSIA AND BELARUS**

On 12th March, 2022, the Group of Financial Services Regulators after consultation with the Government of The Bahamas issued to Supervised Financial Institutions a notice prohibiting engaging in transactions with sanctioned persons, entities or businesses linked to Russia and Belarus. In addition, pursuant to the Directives Regulated entities are advised to apply the highest level of risk management controls to deter the potential for any misuse of the Bahamian financial system in the current global environment and indeed, every circumstance. The Honourable Attorney-General on March 12th, 2022 also issued Directions pursuant to The International Obligations (Economic and Ancillary Measures) Act (Chapter 16) regarding the financial resources of The Russian Federation and those of certain entities and individuals linked to Russian Federation. This Directive requires all regulatory agencies to take the following action:

1. Request their licensees and registrants to perform a search of their databases and register of beneficial owners for any of the individuals or entities named in the Annex to the Directive.
2. All regulatory agencies shall report the results of the search to the Attorney-General.

Read more [here](#).

**BAHAMAS
SPOTLIGHT EVENT:
NEW YORK CITY
MARCH 22, 2022**

BFSB is partnering with Hedgeweek to host a Bahamas Spotlight event at The University Club in New York City on March 22nd, 2022. Sen. Hon. Michael Halkitis, Minister of Economic Affairs will open this event, which is being held under the theme, **The Bahamas 360: The Complete & Compelling Choice**. This exclusive event will feature from expert practitioners on the range of wealth management services offered in The Bahamas, the new regulatory regime for investment funds and digital assets and registered exchanges.

DOMESTIC UPDATES ▼



MARKET NOTICE DISCONTINUATION OF PUBLIC BROKERAGE SERVICES

In its capacity as Registrar and Transfer Agent for Bahamas Registered Stock (BRS) and Treasury Bills (TB), the Central Bank of The Bahamas has historically facilitated primary and secondary market access to these securities to the general public.

In an effort to better align its activities with international good practices, effective 1st January, 2023, the Central Bank will cease to offer such services to the general public.

The scope of services offered to the general public will unwind throughout 2022.

Click [here](#) to view key dates.

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS 2022

Preliminary indications are that the domestic economy maintained its growth trajectory during the month of January, although continuing to be impacted by the ongoing COVID-19 pandemic. Tourism sector output further recovered, undergirded by sustained gains in the high value-added air segment and the modest uptick in sea traffic, as vaccination efforts progressed.

On the fiscal front, the overall deficit narrowed considerably during the first six months of FY2021/22, reflective of rebounded revenue collections, and a marginal decline in aggregate expenditure. Monetary developments featured an expansion in bank liquidity, despite the rise in the deposit base trailing the expansion in domestic credit. However, external reserves decreased during the review month, reflective of increased net foreign currency outflows through the public sector.

Click [here](#) to read more.

SECURITIES COMMISSION FINTECH HUB

The Securities Commission of the Bahamas has created a Fintech Hub ("SCB FITLink") to answer your questions relative to the Digital Assets and Registered Exchanges Act, 2020 or the SCB's digital asset regulatory framework.

SCB FITLink serves as the central point of contact for the Commission's engagement with the public on various issues related to FinTech, such as virtual assets business, crowdfunding, distributed ledger technology, artificial intelligence and virtual initial offerings. SCB FITLink is led by Mr. Christian Adderley, Manager of Policy and Research within the Commission's Office of the Executive Director.

To reach out to the SCB's financial technology hub, SCB FITLink please email: FITLink@scb.gov.bs.

Read more [here](#).

INTERNATIONAL & REGIONAL NEWS ▼



FATF: AMENDMENTS TO RECOMMENDATION 24 ON BENEFICIAL OWNERSHIP

The OECD has published detailed rules to assist in the 04 March 2022, The global Financial Action Task Force (FATF) has amended its Recommendation 24 to require its member countries to collect information on the beneficial ownership of legal persons through a combination of different mechanisms. Member countries will have to hold it either through a publicly managed registry or an equivalent alternative mechanism. It also imposes further restrictions on bearer shares and more robust transparency requirements for nominee arrangements. The formal amendment of the recommendation is the final stage of a two-year process of consultations on proposals. According to FATF, the new rule will 'significantly strengthen the requirements for beneficial ownership transparency globally, while retaining a degree of flexibility for individual countries to go further in refining individual regimes'.

FATF is also reviewing Recommendation 25, which covers the beneficial ownership of legal arrangements other than legal persons. It will begin assessing jurisdictions for implementation of the new requirements at the start of the next round of mutual evaluations. It has also developed draft guidance on the risk-based implementation of AML and counter-terrorist financing measures in the real estate sector. A public consultation on this guidance is running until 22 April 2022. Read more [here](#).

FATF PUBLIC CONSULTATION ON AML GUIDELINES FOR THE REAL ESTATE SECTOR

The Financial Action Task Force (FATF) is considering proposals for the update of the FATF Risk Based Guidance to the Real Estate Sector.

In June 2021, the FATF agreed that the FATF Risk-Based Guidance to the Real Estate Sector should be updated as a matter of priority to reflect the evolution of money laundering and terrorist financing (ML/TF) and to ensure that the Sector remains well-placed to counter such activity.

This Guidance was primarily developed for the Sector to outline the principles and benefits of adopting a risk-based approach to tackling ML/TF. It is designed to be read alongside the FATF Recommendations (2012) and provides real estate agents, as well as other professionals that perform the same functions of real estate agents, with the requisite tools and examples to support the implementation of FATF standards enabling the implementation of a risk-based approach to anti-money laundering and countering the financing of terrorism (AML/CFT).

Such an approach is considered to be an essential foundation of a country's AML/CFT framework, which must reflect the characteristics of legal, regulatory and financial frameworks. Read more [here](#).

EU COUNCIL REVIEWS TAX BLACKLIST

On 24th February, the Council of the EU reviewed its List of Non-Cooperative Jurisdictions for Tax Purposes ("Blacklist"). No jurisdictions were added to the list during the review. The following jurisdictions remain on the Blacklist: American Samoa, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu. The Blacklist is reviewed twice per year, and will be reviewed in October 2022. Read more [here](#).

GLOBAL MINIMUM TAX HITS ROADBLOCKS AS EU STATES DISAGREE ON DIRECTIVE

The finance ministers of EU member states failed to reach a unanimous agreement on the EU directive aimed at implementing the global minimum tax for large corporations.

As all EU member states signed up for the tax deal, the EU Commission presented a proposal for an EU directive to implement the minimum tax uniformly across the EU. However, despite the French efforts to formulate a compromise, the governments of Sweden, Poland, Malta, and Estonia still voiced concerns about the directive and withheld their support for the compromise. As tax matters need the unanimous support of member state governments to become EU law, every member state government is able to veto the directive. Read more [here](#).

INTERNATIONAL & REGIONAL NEWS ▼



OECD PUBLISHES PUBLIC COMMENTS ON DRAFT PILLAR I NEXUS & REVENUE SOURCING RULES

The OECD has published the [public input](#) received on the first consultation process conducted concerning [Draft Rules for Nexus and Revenue Sourcing](#), from the Pillar 1 solution to address the tax challenges arising from digitalization and globalization of the economy. This consultation concerns Amount A of Pillar 1.

The revenue sourcing rules will allow in-scope MNEs to identify the relevant market jurisdictions from which revenue is derived, and to apply the revenue-based allocation key. Under the [OECD agreement](#) reached in October 2021, revenue is sourced to the end market jurisdictions where goods or services are used or consumed. Read more [here](#).

UK: REGISTER OF OVERSEAS ENTITIES LEGISLATION IS PUBLISHED

The UK government has published the draft Economic Crime (Transparency and Enforcement) Bill 2022, which will compel foreign entities that acquire property in England, Scotland and Wales to register and declare their beneficial ownership to Companies House. It also increases the National Crime Agency's powers to issue unexplained wealth orders to those suspected of holding laundered assets. Read more [here](#).

MARKETING AND PROMOTION ▼

2022 WORLD CAPTIVE FORUM EVENT

The Bahamas Financial Services Board was a Gold sponsor of the 2022 World Captive Forum (WCF) Event held in Miami Florida from February 9th – 11th. A domicile neutral conference, WCF provides an in-depth educational, content rich experience for captive managers, investment managers, reinsurers, brokers as well as domicile regulators and officials.



Mr. Kencil McPhee, Deputy Manager, Supervision at the Insurance Commission of The Bahamas (ICB) participated in the Regulatory Update Session on February 11th. He was joined by other regulators including, Debra Walker, Senior Deputy Commissioner, North Carolina Department of Insurance, Sandy Bigglestone, Director of Captive Insurance, Vermont Department of Financial Regulation, Sean O'Donnell, Director of Financial Examination, District of Columbia Department of Insurance and Stephanie Mapes, President Paul Frank + Collins. This diverse panel of regulators provided insights on current events impacting the captive insurance industry in their respective domiciles as well as the legal and regulatory framework for captives. Also in attendance at the WCF were Mrs. Michele Fields, Superintendent of ICB, Director of Investments, Mrs. Phylcia Woods-Hanna, Sen. Hon. Randy Rolle, and Ms. Tanya McCartney, CEO and Executive Director of BFSB. A number of Bahamian insurance professionals also attended this event among them was the Chairman of BFSB's Captives Working Group, CEO of CG Captive Managers Ltd. and Mr. Rayon Brown, Managing Director and Consulting Actuary of Nassau Captives.

