



QUARTERLY LETTER ON REGULATORY AND SUPERVISORY DEVELOPMENTS

BANK SUPERVISION DEPARTMENT
June 30, 2021



QUARTERLY LETTER

Central Bank Digital Currency (Sand Dollars)

We extend our thanks to our many stakeholders for the feedback received on the [Central Bank \(Electronic Bahamian Dollars\) Regulations, 2021](#). The comments were considered and some incorporated into the revised document.

Dormant Account Guidelines

We are pleased to advise of the posting to our website of the [Guidelines for the Administration And Ultimate Disposition Of Dormant Accounts](#). The Dormant Accounts Guidelines outline the Central Bank's minimum requirements for the identification, administration and investigation of inactive deposit accounts and the ultimate disposition of dormant bank account balances and other facilities. The Guidelines apply to all licensed banks in The Bahamas and to all dormant accounts for which banks are liable and in respect of which there has been no customer-initiated transaction for a period of seven (7) years.

Basel II & III Implementation

As previously advised, we continue to work towards the 2022 implementation of our revised capital framework. Once again, we extend our thanks to our many stakeholders for the feedback received on the draft Capital Regulations and Guidelines some of which were taken onboard. Our work on amending the capital reporting forms continues and we will inform you of their completion and training in due course. As for our proposed liquidity framework, work in this area continues but will be implemented after the completion of the capital framework. We will continue to advise you of the progress made in this space.

FSI-BCBS-Central Bank of The Bahamas Virtual High-Level Conference on Regulatory and Supervisory Challenges in Smaller Jurisdictions

The Central Bank, the Financial Stability Institute and the Basel Committee on Banking Supervision have jointly organized and will host a virtual high-level conference on regulatory and supervisory challenges in smaller jurisdictions on 30 June and 1 July, 2021. A key focus of the conference will be on how selected smaller, non-BCBS jurisdictions implement Pillars 1 and 2 of the Basel framework, including the most significant supervisory issues affecting banks and supervisors in their respective jurisdictions. The Central Bank is pleased to be a part of this new initiative by the two international bodies on banking supervision.

AML/CFT Publication

The second edition of the AML/CFT Publication will be published in the upcoming weeks. The Publication highlights the milestones and continuing work of the Group of Financial Services Regulators (GFSR) in strengthening the supervisory and regulatory regime for Money Laundering/Terrorist Financing (ML/TF) risks. The Financial Intelligence Unit (FIU), as a regular observer at the GFSR meetings, has also contributed to the Publication. Given the setbacks brought on by the COVID-19 Pandemic, this edition covers both the 2019 and 2020 years, and culminates with the Financial Action Task Force's December 2020 removal of The Bahamas from its list of jurisdictions under increased monitoring.

Cross Border Risk Surveillance

In an effort to achieve a better understanding of cross border payment flows involving supervised financial institutions ("SFIs") operating in The Bahamas, the Central Bank has laid the groundwork to implement automated tools to monitor SWIFT wire transfers departing or entering The Bahamas. The tools will provide new insights on the characteristic of Bahamian cross-border payments, identifying patterns of relevance, among others, in the sectors, jurisdictions and institutions of counterparties and intermediaries. We will provide further details to the relevant SFIs in the coming weeks.

Risk Assessments – Electronic Money Service Providers and Registered Representatives

Further to our notice issued on 8 March 2021, Registered Representatives (RRs) and Electronic Money Service Providers (EMSPs) are reminded that their enterprise-wide risk assessments, inclusive of a ML/TF risk assessment, are due by **30 September 2021**. These risk assessments are required to be submitted via the ORIMS Portal by the Money Laundering Reporting Officer. Further details regarding access to the Portal will be provided to EMSPs shortly. Any RRs that experience challenges in accessing the Portal should contact the ORIMS Help Desk at ORIMSHelp@centralbankbahamas.com.

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Any questions regarding this letter should be directed to:

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