



## PRESS RELEASE

1<sup>ST</sup> NOVEMBER, 2021

### Authorised Agents' Operation of Foreign Currency Denominated Trading Accounts for Residents

*Effective October 1, 2021, the Central Bank announced the resumption of the Investment Currency Market ("ICM")<sup>1</sup> and Bahamian Depositary Receipt programmes. In light of this, the Central Bank reminds Authorised Agents of the liberalised environment for foreign currency denominated trading accounts and confirms the following administrative details:*

With effect from February 1 2018, the Central Bank approved a new framework to allow Bahamian residents more flexibility to operate and maintain foreign currency denominated trading accounts with resident trust companies (Authorised Agents). Residents will be permitted to trade within blanket approvals that apply to the approved account or portfolios rather than to each trade within the portfolio. These facilities must be funded in foreign currency obtained through the ICM.

#### **Application – Client Trading**

The Agent must make application to the Exchange Control Department on each client's behalf. The following information and documents should be provided:

- ) Name of client
- ) The purpose for which the funds are required
- ) The dollar amount and currency that is required for trading and credit to the client's foreign currency account
- ) Copy of passport to confirm identity of the beneficial owner

An Exchange Control approval will be granted on the following conditions:

- ) Foreign currency securities and deposits are held by a custodial agent that is resident and licensed under the Banks and Trust Companies Regulations Act.
- ) The Agent's securities operations are licensed by the Securities Commission of The Bahamas.
- ) Credits to the account are made with foreign currency obtained through the ICM.
- ) **Debits from the accounts are made from ICM approval or income realised as a result of trading.**

---

<sup>1</sup> The use of investment currency is prescribed for Bahamian residents' purchase of foreign currency securities from non-residents and also for their direct investments abroad, via the Investment Currency Market which is conducted by commercial banks (Authorised Dealers) in The Bahamas. The premium bid and offer rates are 5.0% and 2.5%, respectively, at this time.

- ) Each client account is registered for regulatory and reporting purposes via the Exchange Control Online Reporting System.
- ) Any realised income may be re-invested.
- ) The Central Bank receives an annual report of portfolio activity, in a format to be prescribed by the Bank.
- ) On liquidation of the account, the proceeds must be repatriated to the Bahamas via the ICM at the rate prevailing at the time of liquidation.

See the website links for further details: item 1.iii. [2019-06-25-10-11-49-Exchange-Controls---Revised-Capital-Account-Measures.pdf \(centralbankbahamas.com\)](#) and page 4 of the narrative [2019-06-25-10-11-49-Relaxation-of-Exchange-Control-Arrangements.pdf \(centralbankbahamas.com\)](#)

**1 November, 2021**