



## Press Release

### Public Consultation on Compendium of Proposed Legislative Reforms

The Central Bank of The Bahamas (the Central Bank) wishes to advise that a public consultation on a compendium of proposed legislative reforms has commenced for public consideration. The public consultation consists of two separate papers designed to enhance the financial regulatory framework, strengthen depositor protection, and improve overall, the resilience of the financial system.

#### I. Financial Sector Resilience and Payments Services

The **first** consultation paper, outlines amendments to several key pieces of legislation, including:

- The **Central Bank of The Bahamas Act, 2020**
- The **Banks and Trust Companies Regulation Act, 2020**
- The **Protection of Depositors Act, 1999**
- The **Protection of Depositors Bye-laws, 1999**
- The **Payment Systems Act, 2012**
- The **Payment Instruments (Oversight) Regulations, 2017**

Additionally, two new regulatory frameworks are being proposed:

- **Protection of Depositors (Administrative Monetary Penalties) Regulations, 2025**
- **Central Bank of The Bahamas (Administrative Monetary Penalties) Regulations, 2025**

These proposed reforms aim to:

- **Strengthen the resolution framework** for systemically important financial institutions, including banks and credit unions;
- **Migrate money transmission service providers** from the banking framework to the broader payment institutions framework, in line with global best practices;
- **Strengthen oversight** of payment systems and instruments and increase the scope to regulate payments instruments in the interest of the consumer;



- **Expand depositor protection**, supported by back-up funding arrangements to ensure confidence and stability in the financial system; and
- **Introduce governance and currency reforms**, including provisions for the Bahamian dollar digital currency.

The consultation paper also reflects recommendations from the International Monetary Fund following technical assistance missions and safeguards assessments, which emphasized alignment with international standards.

## II. Cooperative Credit Unions

The **second** consultation paper outlines key amendments to legislation governing the credit union sector, which includes:

- **The Bahamas Co-operative Credit Unions (Amendment) Bill, 2025**
- **The Bahamas Co-operative Credit Unions (Amendment) Regulations, 2025**

The draft Bill and Regulations reflect the Central Bank's continued efforts to promote enhanced transparency and accountability as endorsed by international standards setting bodies responsible for supervisory and regulatory oversight of credit unions. As such, these legislative reforms seek to advance supervisory and regulatory requirements related to corporate governance procedures, capital adequacy, and reserve requirements for credit unions.

## III. Submission of Comments

The Central Bank invites all stakeholders, including financial institutions, consumer groups, and members of the public, to review the consultation papers and provide feedback by **31 October 2025**.

Submissions should be directed to:

**Policy Unit**  
**Bank Supervision Department**  
E-mail: [policy@centralbankbahamas.com](mailto:policy@centralbankbahamas.com)

The full consultation papers and draft legislation are available on the Central Bank's website at [www.centralbankbahamas.com](http://www.centralbankbahamas.com).

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