



QUARTERLY LETTER ON REGULATORY AND SUPERVISORY DEVELOPMENTS

BANK SUPERVISION DEPARTMENT
28 October, 2025



QUARTERLY LETTER

Introduction

During the third quarter of this year, the Central Bank of The Bahamas (“the Central Bank”) took steps to advance its legislative and policy objectives, launching public consultation on a compendium of draft amendments and updates to existing legislation and guidelines. These proposed amendments follow our objective to ensure that our legislative and policy framework continue to be robust and better aligned with international standards and principles.

Several of the advancements, of note, include - draft amendments to:

- 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**

Coupled with the above amendments include the proposal of two new regulatory frameworks namely, the **Protection of Depositors (Administrative Monetary Penalties) Regulations, 2025** and the **Central Bank of The Bahamas (Administrative Monetary Penalties) Regulations, 2025**. These proposed bills and regulations are intended to enhance the resolution regime for systemically important institutions, strengthen the Central Bank’s supervisory powers, fortify depositor protection, and bolster overall resilience of the financial system.

Consultation also started on proposed amendments to the Bahamas Cooperative Credit Union (Amendments) Bill, 2025 and the Bahamas Cooperative Credit Union (Amendments) Regulations, 2025. The amendments to credit union legislation include enhancements to the corporate governance, capital adequacy, and resolution measures critical to the ongoing viability of the sector.

Notice regarding the issuance of the proposed bills and regulations for public consultation were forwarded to all SFIs and published to our website for ease of access. Public consultation on the compendium of amendments is scheduled to conclude in the final quarter of 2025.

Additionally, the Central Bank has also advanced and conducted ongoing assessments to several other key projects, regulations, and policy guidelines within the third quarter which will be addressed below in their respective segments.

Quantitative Executive Entities

The Banks and Trust Companies (Private Trust Companies (“PTCs”) and Qualified Executive Entities (“QEEs”) Regulations, 2025 (“the Regulations”) were passed in Parliament in June 2025.

As such, the legislation brings executive entities, which conduct trust activities, under the regulatory oversight of the Central Bank and allows for the exemption of the QEE from the licensing requirements of the BTCRA. The regulatory regime for PTCs and QEEs is designed to ensure high standards of business conduct, professionalism and competence for PTCs and QEEs, while offering an appropriate level of regulatory oversight consistent with the limited activities of such entities. Guidelines to this effect have also been drafted and will be issued for public consultation within the fourth quarter of 2025. This will outline the procedures and documentation for applications, administrative and filing requirements, notification requirements, and registered representative requirements and obligations.

Basel III Liquidity Reforms

In August 2025 the consultation process for reviewing the revised drafts of the Liquidity Regulations and Guidelines (“Liquidity Framework”) concluded. Feedback on these documents have provided additional context and consideration as it relates to the implementation of the liquidity framework.

As part of our efforts to enhance the liquidity framework, the Bank Supervision Department also initiated a Quantitative Impact Study (QIS) with a select group of SFIs to participate in the testing and development of a new data return form. As indicated in our previous quarterly letter, the objective of this testing is to ensure that the proposed form adequately captures material data points that would assist the Central Bank in assessing the revised liquidity requirements associated with the calculation of the Liquid Coverage Ratio (“LCR”) and the Net Stable Funding Ratio (“NSFR”). The group of SFIs selected to participate in this QIS exercise continue to report the proposed forms during the agreed period along with their observations which continues to provide valuable feedback in assessing the impact of implementing the framework.

Agency Banking Framework

During the third quarter of 2025, the Central Bank had an opportunity to review the feedback submitted by the public regarding the Consultation Paper on Agency Banking. The observations and recommendations submitted also provided valuable input that will help the Central Bank to best tailor implementation of the agency banking framework in The Bahamas. The Central Bank has documented the feedback received and published corresponding responses to stakeholders, on our website within Consultation Documents via www.centralbankbahamas.com.

Guidance Notes for Sanctions Screening

The Bank Supervision Department has drafted Guidance Notes for Sanctions Screening to express the Central Bank’s minimum expectations for SFIs in establishing and maintaining an effective sanctions screening process. Once the internal review of the document has been concluded, the Guidance Notes will be issued to all SFIs to inform their continued assessment of risks associated with money laundering, terrorist financing, and proliferation financing.

Policy Updates

As expressed during our industry briefing to SFIs early in the year, work on other key policy initiatives continued during the second half of the year.

During the third quarter, there was material progress on the Large Exposure framework, included drafting proposed amendments to the Banks and Trust Companies (Large Exposures) Regulations and revisions to the Large Exposure Guidelines. The amendments to the framework seek to ensure that reporting requirements are appropriately aligned with international standards and principles while providing pertinent information that assist in bettering our supervisory oversight of individual and related party exposure.

Additionally, draft guidelines have been prepared which document authorization requirements and key factors in assessing the continued fitness and propriety of Compliance Officers. The guideline formalises our minimum standards as it pertains to the fitness and propriety and outlines Central Bank's reporting and disclosure requirements.

As such, the Central Bank intends to issue both documents for public consultation during the fourth quarter of 2025.

SFI Applications Guide

We also take the opportunity to remind SFIs that the applications guide is available on the Central Bank's website at: [BSD SFI Applications Guide- Central Bank of the Bahamas](#). To ensure the efficient and timely processing of applications, SFIs are encouraged to review the guide **prior** to submitting the application documents concurrently via upload to the Enterprise Applications Portal ("EAP") and via email to the general mailbox bsd@centralbankbahamas.com. All required documents should accompany the submission.

The EAP can be accessed via <https://applications.centralbankbahamas.com>.

The Guide also serves as a reminder of which requests or notifications to the Central Bank should be done via application submission.

In closing, we look forward to our continued collaboration and feedback on the key legislative amendments and policy updates during the final quarter of the year.

Karen Rolle

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Any questions regarding this letter should be directed to:

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