



PRESS RELEASE

CENTRAL BANK TO INTENSIFY ITS SUPERVISORY ENGAGEMENT WITH BOARDS OF DIRECTORS

As the Inspector of Banks and Trust Companies and Supervised Licensed Institutions operating in The Bahamas, I have today written to the Chairpersons of supervised financial institutions (SFIs), to inform them that the Central Bank of The Bahamas (the Central Bank) intends to engage more closely with the boards of SFIs on matters of financial and anti-money laundering (AML) risk. Highlights of this board engagement policy include:

- Every SFI's board will receive an annual letter, normally in May, outlining the Central Bank's views on the SFI's financial position, and a summary of the status of any outstanding supervisory interventions;
- Every SFI's board will also receive an annual letter, normally in October outlining the Central Bank's views on the SFI's position regarding AML risk;
- The Central Bank will provide a limited waiver of the confidentiality requirement on both of the above letters, so that they may be shared with correspondent banks, where appropriate;
- The Central Bank proposes to meet annually with the boards of the largest Bahamian-owned banks and trust companies, including an in-camera session with the independent non-executive directors; and
- The Central Bank will strengthen some of its existing procedures regarding collection of board agendas and minutes, and receiving annual Corporate Governance Attestations from each board.

These initiatives will help the Central Bank and the boards of SFIs work together more effectively towards our common goals, which include safe institutions operating in a robust Bahamian risk management framework.

Charles Littrell

Inspector of Banks and Trust Companies

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