



EXCHANGE CONTROL DESIGNATION OF COMPANIES¹: GENERAL OVERVIEW

Where non-residents and/or temporary residents (see [ECD BIS Classification Table](#)) have any degree of equity interest in a foreign company or propose to acquire any equity interest in a Bahamian company² that is intended to hold local real estate, conduct business in the local economy or, where such company is registered or incorporated under the Companies Act, 1992 and is intended to provide financial or other services to non-residents of The Bahamas, application must be made to the Exchange Control Department (“ECD”) for the company to be formally designated and the issuance or transfer of the equity interest approved (in appropriate cases).

Locally incorporated companies may be designated as either resident or non-resident for exchange control purposes. Foreign incorporated companies may be designated as either a resident branch or a non-resident branch for exchange control purposes. A company’s exchange control classification (see [ECD BIS Classification Table](#)) depends on consideration of a number of factors including: where the company was established, where it proposes to operate (i.e., *within* The Bahamas (locally) or *from within* The Bahamas (offshore)), the Bahamas immigration status of its owners and the nature of its activities, to name a few.

Each designation type is subject to specific authorizations and restrictions which set out the parameters of the company’s operations, borrowings, issue and transfer of shares, dealings in foreign and/or local currencies and capital investments. These parameters are determined by the requirements of existing exchange control regulations as well as national economic and investment policies (see [Bahamas Investment Authority’s page under Links \(National Sites\) on Central Bank’s home page](#)).

¹ This includes foreign established companies, partnerships or other legal structures.

² This includes locally established or registered companies, foundations, partnerships, and sole proprietorships beneficially owned wholly or partially by non-residents.

Some companies, without being formally designated, are “deemed” to have a certain Exchange Control status. For example, companies that are wholly owned by residents ([see ECD BIS Classification Table](#)) are not generally required to be formally designated but are deemed to be “resident” for exchange control purposes. On the other hand, Bahamian international business companies that are owned wholly by non-residents and operate from within The Bahamas (i.e., offshore - conducting business exclusively with non-residents of The Bahamas) are deemed to be “non-resident” for exchange control purposes.

Application to the ECD for formal designation of a company or for an indication of the deemed EC status should include the appropriate information and documentation as indicated on the respective checklists.