

NOTICE TO AUTHORIZED DEALERS

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**EXCHANGE CONTROL REGULATIONS, 1956**

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This Notice is one in an administrative series issued by The Central Bank of The Bahamas to draw attention to the Regulations made under the Exchange Control Regulations Act, 1952 and the Exchange Control Regulations 1956, and to give certain exemptions, permissions, authorities and directions, and imposes certain obligations upon those concerned. This Notice also takes account of the fact that the Scheduled Territories include The Commonwealth of The Bahamas only.

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**ADMINISTRATION**

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This issue comes into effect 1<sup>st</sup> March, 1976 and supersedes those which were previously issued.

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## INTRODUCTION

1. The purpose of this Notice is to briefly outline the responsibilities of Authorized Dealers and bring to their attention certain requirements with regard to the completion and return of Exchange Control approvals and approved Exchange Control Forms.
2. Exchange Control approvals and approved Exchange Control Forms are required to be returned to The Central Bank for two purposes, administrative and statistical. Administrative control comprises exchange control, credit control and general prudential banking supervision. The Central Bank must also ensure that banks individually are conforming to the limits, controls, guidelines or general criteria in operation.
3. The statistical purposes for which the returns are required relate to the interpretation of current trends in the national economy, both domestically and with countries overseas. For this purpose the returns from all banks are collated into broad aggregates.

## GENERAL

4. Authorized Dealers must at all time ensure that all transactions with which they are concerned are carried out strictly in accordance with the Exchange Control Regulations, Exchange Control Notices in force and any specific approval given by The Central Bank of The Bahamas and that their customers are given appropriate guidance and information in matters involving Exchange Control.
5. Authorized Dealers are required to ensure that Exchange Control Forms are completed by their customers in every detail, that documentary evidence is attached wherever necessary, and where documentary evidence is not available, the information is verified. Where information is available but not attached to forms, Authorized Dealers must vouch for the accuracy of all statements contained therein.
6. The stamp of Authorized Dealers together with the signatures of banks staff members who execute the various transactions must be affixed to all forms and letters of approval.
7. Authorized Dealers are reminded that proper discharge of these responsibilities is an essential condition of their appointment.

## RETURN OF EXECUTED FORMS AND APPROVALS

8. All executed Exchange Control Forms must be promptly returned to The Central Bank.

9. Where approvals are given by letter for the purchase of an amount of foreign exchange over a period of time, a notation of each amount sold along with an authorized signature and stamp of the Authorized Dealer must be made on the original copy of the letter and where the total amount authorized is sold, or at the expiration of the facility (whichever comes first) the original copy of the letter must be returned to The Central Bank. A Form E.1 must also be completed each time foreign currency is sold against the approval and forwarded to The Central Bank. Banks must ensure that the Exchange Control reference and the date of the approval is clearly indicated on the Form E.1.

#### AUTHORIZED DEALERS IN GRAND BAHAMA AND THE FAMILY ISLANDS

10. Authorized Dealers in Grand Bahama and the Family Islands may continue to sell foreign exchange for the purposes indicated below and must ensure that the required procedure are at all times followed.
11. No foreign exchange may be sold to persons who are not normally resident in the island where application is being made.
12. Applications to purchase foreign exchange which do not fall within the authority of Authorized Dealers as given in this Notice, or any other Notice to Authorized Dealers must be forwarded to The Central Bank of The Bahamas.

#### IMPORTS

13. All persons seeking foreign exchange for imports must apply on Form 1 and must produce to Authorized Dealers documentary evidence in order to establish:
  - (a) That the goods in question have been shipped to The Bahamas, or will be dispatched immediately upon receipt of payment;
  - (b) That the request for foreign currency is genuine;
  - (c) That the value of the goods is reasonable.
14. Where goods have already been entered at Customs, a copy of the approved Customs Entry Form should accompany the application and the Customs Entry number should be recorded on the Form 1.
15. In all cases where Authorized Dealers approve Form 1 a copy of the approved form must be returned to The Central Bank and a copy must be retained by the Authorized Dealer.
16. All copies of invoices and documentary evidence must be clearly marked and stamped by Authorized Dealers and the amount of foreign currency sold should be indicated on each copy.

## TRAVEL FACILITIES

17. Applicants for foreign exchange for travel purposes must present the passports for marking together with their tickets. An Exchange Control Form H (personal travel) or Form K (business travel) must be completed in each case. Each resident is entitled to the equivalent of B\$1,000 in foreign exchange for personal travel each calendar year, and each businessman the equivalent of B\$10,000 over same period. All passports must be clearly marked indicating the amount and the date sold.
18. Great care should be observed in issuing cash and travellers' cheques for business and personal travel. The duration of the trip should first be established and then, no more than \$100 a day provided in cash and travellers' cheques. Other funds required must be obtained under normal rules.

## CASH GIFT ALLOWANCES

19. Residents may make cash gifts to non-residents up to a total of B\$1,000 each calendar year. Each amount and date sold must also be indicated in the individual's passport and distinguished from travel facilities. The cash gift allowance is not transferable from one resident to another and cannot be carried forward from one year to the next. Any application for funds to support dependant relatives overseas must be referred to The Central Bank of The Bahamas.
20. No cash or travellers' cheques may be issued in respect of cash gift allowances. A Form E.1 must be completed for each amount sold and forwarded to The Central Bank of The Bahamas.

## OTHER

21. Authorized Dealers are asked to ensure that a senior member of the staff is involved in the processing of all applicants from the public in order that the necessary documents and underlying genuineness of the transaction may be checked.
22. Each Authorized Dealer should forward on a weekly or daily basis all executed Exchange Control Forms in respect of all foreign exchange sold, where appropriate including the necessary documentary evidence. Forms should be forwarded so as to arrive at The Central Bank not later than one-week following the week to which they relate.