



## **CENTRAL BANK OF THE BAHAMAS**

---

# **GUIDANCE NOTES FOR THE COMPLETION OF THE FINANCIAL RETURNS FOR REGISTERED REPRESENTATIVES**

---

*September 2019*

## Table of Contents

<b>1. Overview of the Financial Return .....</b>	<b>3</b>
<b>2. Filing Instructions for the Financial Return for Registered Representatives .....</b>	<b>4</b>
Submission Deadline.....	4
Submission Protocols .....	4
<b>3. Form Overview.....</b>	<b>5</b>
Statement of Financial Position .....	5
Statement of Comprehensive Income .....	8
<b>4. Appendix I .....</b>	<b>10</b>
Statement of Financial Position .....	10
Statement of Comprehensive Income .....	11

## 1. Overview of the Financial Return

The **Financial Return for Registered Representatives** (“**Financial Returns**”) is a series of Microsoft Excel-based templates, which are designed to improve the regulatory reporting for Supervised Financial Institutions (SFIs) of the Central Bank of The Bahamas (“**the Central Bank**”). These Guidance Notes serve as a companion tool to the Financial Return for Registered Representatives to provide SFIs with an overview of the Financial Return for Registered Representatives as well as the filing and reporting instructions.

A copy of the **Financial Return** file template and **Guidance Notes** are placed on the Central Bank’s website for ease of access and reference by SFIs. These documents may be located on the website as follows:

Log onto: [www.centralbankbahamas.com](http://www.centralbankbahamas.com)

- Click on **Bank Supervision**
- Select **Regulatory Framework**
- Select **Downloadable Forms**

These documents will include a *version* and *release or amended date*. Any amendments to these documents/files will be posted immediately on the Central Bank’s website and the SFIs will be formally advised of same via a Notice or E-mail from the responsible supervisory team. When a revised Financial Return version is released, SFIs are required to download the updated file to complete reporting submissions.

The Guidance Notes give a brief description of each of the forms that make up the Financial Return. In addition, the Guidance Notes provide clarification on the data that is to be entered in the various rows and columns of the forms. In some cases, the forms are self-explanatory, and as such, no further clarification is provided. The Financial Return template has been appended to this Guidance Note at Appendix I, for your reference.

The submission of the Financial Return is a requirement of **all Registered Representatives** in The Bahamas.

SFIs are expected to have appropriate procedures in place to ensure that all completed forms are accurate and are submitted on a timely basis. Breakdowns in internal controls, staff shortages and vacations are not considered compelling reasons for late and erroneous filings of the Financial Return. Therefore, it is imperative that SFIs ensure that all applicable sections of the Financial Return forms are fully completed, such that all material information pertinent to the SFIs’ operations is entered into the appropriate forms. To assist with validation of data entered certain cross checks have been embedded across various forms.

## 2. Filing Instructions for the Financial Return for Registered Representatives

All Registered Representatives are required to upload their completed Financial Returns into the ORIMS Portal at <https://orimsportal.centralbankbahamas.com>. A copy of the completed “**General Information Form**” (also called “**Attestation**”) should be signed by two members of senior management. This form should be scanned and uploaded as a PDF document into the ORIMS Portal.


### **Submission Deadline**

All Registered Representatives are required to complete the suite of forms in the Financial Returns on a quarterly basis. The Financial Returns should be uploaded no later than **21 calendar days** after the quarter-end.

### **Submission Protocols**

- Only submissions **sent via the ORIMS Portal will be accepted**.
- Attestations should be uploaded via the Portal and should properly state the Registered Representative's Business Name, Code and Date of the Financial Return.
- Data should be rounded to the nearest thousands of dollars (no decimals), except where rates or ratios are reported.
- The ORIMS Portal contains automatic validation rules, which are checked and verified only after submission to the ORIMS Supervision Centre (that is, to the Regulator).
- **Any and all amendments** to be made to subsequent submissions are to be requested via the ORIMS Portal. A reason for re-submission is required and must be clearly stated or articulated.

### **Using this Guide**

 - Click folder to view the corresponding Financial Return in Appendix I. To return to the Financial Return Guidance Notes, click the name of the Financial Return in Appendix I.

### 3. Form Overview

#### Statement of Financial Position

This report form provides a breakdown of all assets, liabilities and shareholders' equity on the balance sheet. Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

#### 1. **ASSETS**

a) *Cash*

- All local and foreign currency in the form of bank notes and coins held by a registered representative on the reporting date.

b) *Accounts Receivables*

- Total proceeds earned or accrued but not yet collected.

c) *Marketable Securities*

- All easily convertible financial instruments such as government bonds, common stock or certificates of deposits that are to be sold or redeemed within a year.

d) *Due from Group Companies/Shareholders*

- Total amount due from group companies/shareholders but not yet collected.

e) *Prepayments*

- Total amount of prepaid expenses made before the due date.

f) *Other Assets*

- All other assets owned by the registered representative that do not quite fit into the categories captured in items a) through e) above.

#### 2. **TOTAL ASSETS [Total sum of Items 1 (a through f) above]**

#### 3. **LIABILITIES**

a) *Bank Overdraft*

- All loans payable to Banks in the form of overdraft accounts.

b) *Accounts Payable*

- The total sum owed for goods/services bought on credit, and for which payment is expected to be made within 90 days (e.g. accounting services, legal services, supplies, and utilities bought on credit).

c) *Due to Group Companies/Shareholders*

- Include all deposits made by group companies/shareholders.

d) *Due to Clients*

- All deposits made by clients.

e) *Accrued Expenses*

- The total sum of expenses for which payment has not yet been made, but is expected to be made by the registered representative in the near future (e.g. salaries payable, interest-payable etc.).

f) *Deferred Income*

- Total amount of funds received prior to being earned.

g) *Other Liabilities*

- All liabilities not captured in items a) through f) above, but are owed to some individual or institution and are therefore still recorded in the books as a liability.

**4. TOTAL LIABILITIES [Total sum of Items 3 (a through g) above]**

**5. SHAREHOLDER'S EQUITY**

**6. SHARE CAPITAL (Issued Ordinary Shares + Issued Participating Shares)**

a) *Authorized - Ordinary Shares*

- The sum of authorized ordinary shares approved by the Board of Directors.

b) *Authorized - Participating Shares*

- The sum of authorized participating shares approved by the Board of Directors.

c) *Issued - Ordinary Shares*

- The sum of issued ordinary shares approved by the Board of Directors.

d) *Issued - Participating Shares*

- The sum of issued participating shares approved by the Board of Directors.

**7. TOTAL SHARE CAPITAL [Total sum of Items 6 (a through d) above]**

**8. CONTRIBUTED SURPLUS**

- Total amount of capital in excess of the par value.

**9. PROFIT & LOSS ACCOUNT**

a) *Retained Earnings (Accumulated Deficits)*

- The total portion of net income retained and not distributed to shareholders in the form of dividends. However, if the registered representative has found itself paying out more dividends, and generating more net losses than profits, then the accumulated deficit (negative retained earnings) is reported here, also.

- b) *Accrued Profits for the Current Year*
  - Accumulation of earnings for the current year.

**10. TOTAL SHAREHOLDER'S EQUITY (Total sum of Items 7 through 9)**

**11. TOTAL LIABILITIES & SHAREHOLDER'S EQUITY (Total Liabilities + Shareholder's Equity)**

**12. MEMORANDUM ITEM**

- a) *Dividends Paid/Payable*
  - Actual amounts paid during the reporting period or reflected as to be paid.

## Statement of Comprehensive Income

This form calculates comprehensive income (loss) generated net of operating expenses. Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

### 1. **OPERATING INCOME**

a) *Fee Income*

- The total sum of income derived from general fees collected.

b) *Acceptance Fees*

- The total amount paid to the registered representative's directors for new business activities.

c) *Incorporation Fees*

- The total amount paid to the registered representative's directors for new Private Trust Companies [PTCs]. (e.g. incorporation fees)

d) *Registered Representative Fees*

- Any fees that are collected to maintain the relationship. (e.g. commissions)

e) *Other Income*

- The total sum of income generated through methods not captured by items 1 (a through d) above.

### 2. **TOTAL OPERATING INCOME [Total of Items 1 (a through e) above]**

### 3. **OPERATING EXPENSES**

a) *Management Fees*

- Total amount paid for collections related to registered representatives.

b) *License Fees*

- Total amount paid for collections related to registered representatives to obtain a license.

c) *Professional Fees*

- Total amount incurred for services rendered by lawyers, accountants, computer firms, etc.

d) *Government Fees*

- Total amount paid to The Bahamas' Registrar General's Department.

e) *Bad Debt*

- The portion of accounts receivable that is uncollected.



f) *Foreign Currency Translation Gain/(Loss)*

- Unrealized gain/loss resulting from appreciation or devaluation of non-local currency.

g) *Other Expenses*

- Total expenses incurred by a registered representative, which does not fall into the categories captured by items 3 (a through f) above.

**4. TOTAL OPERATING EXPENSES [Total sum of Items 3 (a through g) above]**

**5. NET INCOME (LOSS) [Total Operating Income – Total Operating Expenses]**

## 4. Appendix I

### Statement of Financial Position

		B\$
1.	<b>ASSETS</b>	
	a. Cash	
	b. Accounts Receivables	
	c. Marketable Securities	
	d. Due from Group Companies/Shareholders	
	e. Prepayments	
	f. Other Assets	
2.	<b>TOTAL ASSETS</b>	<b>0</b>
3.	<b>LIABILITIES</b>	
	a. Bank Overdraft	
	b. Accounts Payable	
	c. Due to Group Companies/Shareholders	
	d. Due to Clients	
	e. Accrued Expenses	
	f. Deferred Income	
	g. Other Liabilities	
4.	<b>TOTAL LIABILITIES</b>	<b>0</b>
5.	<b>SHAREHOLDER'S EQUITY</b>	
6.	<b>SHARE CAPITAL</b>	<i>No. of Shares</i> <i>Share Value</i>
	a. Authorized - Ordinary Shares	
	b. Authorized - Participating Shares	
	c. Issued - Ordinary Shares	<b>0</b>
	d. Issued - Participating Shares	<b>0</b>
7.	<b>TOTAL SHARE CAPITAL</b>	<b>0</b>
8.	<b>CONTRIBUTED SURPLUS</b>	
9.	<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>0</b>
	a. Retained Earnings (Accum. Deficit)	
	b. Accrued Profits for the Current Year	
10.	<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>0</b>
11.	<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>	<b>0</b>
12.	<b>MEMORANDUM ITEM</b>	
	a. Dividends Paid/Payable	

## Statement of Comprehensive Income

	Current Period	% of Assets	YTD
<b>1. OPERATING INCOME</b>			
a. Fee Income		-	
b. Acceptance Fees		-	
c. Incorporation Fees		-	
d. Registered Representative Fees		-	
e. Other Income		-	
<b>2. TOTAL OPERATING INCOME</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>3. OPERATING EXPENSES</b>			
a. Management Fees		-	
b. License Fees		-	
c. Professional Fees		-	
d. Government Fees		-	
e. Bad Debt		-	
f. Foreign Currency Translation Gain/(Loss)		-	
g. Other Expenses		-	
<b>4. TOTAL OPERATING EXPENSES</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>5. NET INCOME/(LOSS)</b>	<b>0</b>	<b>-</b>	<b>0</b>