



THE CENTRAL BANK OF THE BAHAMAS

QUARTERLY LETTER ON REGULATORY AND SUPERVISORY DEVELOPMENTS

BANK SUPERVISION DEPARTMENT

October 23, 2019



QUARTERLY LETTER

Hurricane Dorian

While New Providence was spared the brunt of Hurricane Dorian, branches/agencies of Supervised Financial Institutions (“SFIs”) on the islands of Abaco and Grand Bahama were severely impacted. To this end, the Central Bank is continuing its dialogue with all affected SFIs to ascertain the extent of the damages sustained and the way forward. By means of lessons learnt and in order to be better prepared for any future disaster of this magnitude, we invite all SFIs to consider the effect on their business continuity plans, if a Dorian-like event strikes New Providence. Please note that the Central Bank will be following up on this issue more formally in the not too distant future.

Industry Briefing

By now you are all aware of the upcoming industry briefing which will be held at the Melia Hotel, Independence Ballroom B on Monday, 28th October, 2019. As advised, the briefing will focus on the key amendments as set out in the draft Banks and Trust Companies Regulation (Amendment) Bill, 2019, the draft Central Bank of The Bahamas (Amendment) Bill, 2019, the draft Protection of Depositors (Amendment) Bill, 2019 and the draft Protection of Depositors’ (Amendment) Byelaws, 2019. These draft Bills and Byelaws may be found in the Annexes to the Second Round Consultation Paper which is posted to Central Bank’s website and may also be accessed by clicking this link: [Second Round Public Consultation on the Bank Resolution Framework](#). Updates will also be provided on supervisory matters as well as planned initiatives for 2020.

Basel III Deferral

You would recall by means of the four Basel Discussion Papers issued in 2018, that the intent was for full implementation of Central Bank’s revised capital and liquidity framework, as well as the minimum disclosure requirements by January, 2020. Our timeline has since been revised and pushed back to 2021 to allow for the development and testing of new and enhanced capital and liquidity reporting forms, training on the use of the new forms and possibly a parallel run. We will communicate further with you in this regard and also share with you our responses to your comments on the discussion papers and the result of our analyses of the quantitative impact study on your liquidity position.

Review of Exemptions/Waivers

Over the next few months, the supervisory teams will be reviewing and reassessing all restrictions, exemptions &/or waivers previously granted to SFIs over the years. This reassessment project will take into consideration the current risk profile and business environment for each SFI and may require that some SFI's prudential norms be realigned to the current regulatory standards. Affected SFIs can expect to be contacted by their supervisory teams at the completion of the project.

AML Data Return

In a continuing effort to enhance data compilation and regulatory surveillance processes through its AML 2.0 Supervisory Framework, Central Bank created a reporting suite of AML related forms (AML Data Return) and related guidance notes for SFIs. The documents were subsequently released for consultation, which ended on 7th October, 2019 and we thank all who provided feedback/input. The reporting forms are required to be submitted via the On-line Reporting Information System (ORIMS) on an annual basis, effective 31st December 2019. Additionally, the following documents must be submitted along with the AML Data Return via ORIMS:-

- 1) A copy of the SFI's latest Wolfsberg Correspondent Banking Due Diligence Questionnaire for 2019 (if not previously submitted);
- 2) Any updated AML/CFT related policies and procedures; and
- 3) An annual declaration, signed by at least two Directors or alternatively the Compliance Officer/MLRO and one Director, certifying that the SFI's operations remain in compliance with all issued Sanction Orders.

We look forward to your cooperation in ensuring the smooth implementation of this new reporting framework.

Submission of Statutory Returns/Documents Via ORIMS

Effective 31st December 2019, statutory returns/documents for all SFIs (banks and trust companies, credit unions, money transmission businesses, as well as registered representatives) are required to be submitted electronically via the ORIMS Portal.

The Central Bank will only accept documents/returns via email in exceptional circumstances, such as when the ORIMS Portal is down on the return's due date.

All statutory documents/returns submitted using ORIMS are required to be in PDF format only. In addition, all returns must be signed off by the appropriate signatory(ies) prior to being submitted via the ORIMS Portal.

Applications Manual

We remind all applicants seeking approval for regulated functions from the Bank Supervision Department of the Central Bank to be guided by the [Applications Manual](#) which was developed to create efficiencies in the application and approval process. Incomplete applications would be held in abeyance pending receipt of outstanding information and support documents, resulting in unnecessary delays. The Applications Manual is accessible on the Central Bank's website: - www.centralbankbahamas.com and by following the path - Bank Supervision Department → Regulatory Framework work → Guidelines & Regulations → General Information → Applications Manual.

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Inspector of Banks & Trust Companies

Any questions regarding this letter should be directed to:

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