



## **THE BAHAMAS CO-OPERATIVE CREDIT UNIONS ACT, 2015 & THE BAHAMAS CO-OPERATIVE CREDIT UNIONS REGULATIONS, 2015**

In June 2015, the Central Bank of The Bahamas (“the Central Bank”) assumed regulatory and supervisory responsibility for co-operative credit unions (“credit unions”), with the enactment of the principal governing legislation, The Bahamas Co-operative Credit Unions Act, 2015 (“the BCCUA”) and other relevant amending legislation.

Consistent with its statutory obligations, the Central Bank is responsible for all regulatory and supervision matters pertaining to credit unions – commencing with their registration and on-site and off-site supervision. The BCCUA requires credit unions to furnish information in such form and at such time as specified by the Central Bank.

The BCCUA sets out the duties and powers of the Inspector of Banks and Trust Companies (“the Inspector”) who is the Central Bank officer responsible for overseeing the supervision of credit unions. The Inspector has the power to carry out on-site examinations and off-site supervision and to call for information from any director or officer of a credit union, to assist him in carrying out his duties. Where an on-site examination or off-site supervision of the business affairs of a credit union reveals that the credit union is conducting its business in an unlawful or unsound manner or is otherwise in an unsound condition, the BCCUA authorises the Inspector to direct a credit union to take such measures as the Central Bank may consider necessary. The BCCUA also authorises the Central Bank to designate any person to assist the Inspector in the performance of his duties.

## **THE BAHAMAS CO-OPERATIVE CREDIT UNIONS REGULATIONS, 2015**

The Bahamas Co-operative Credit Unions Regulations, 2015 (“the BCCUR”) give effect to the objectives and provisions of The Bahamas Co-operative Credit Unions Act, 2015.

Amongst other things, the BCCUR:

- requires credit unions, when granting personal, mortgage, agricultural and other business loans, to include provisions for payment of principal and interest, payment at specific intervals and payment over a prescribed period;
- prescribe the criteria to which credit unions must adhere when granting loans to directors, committee members, employees and their associates;
- prescribe the allowance (provisioning) which must be established for doubtful loans, the criteria for assessing impaired loans and the forms which must be used to measure impaired loans and for the valuation of mortgage securities; and
- requires the Apex body of a credit union to maintain the money it receives from member credit unions in segregated pools of funds (known as the reserve, liquidity deposit and stabilization funds).