



Press Release

Recovery Planning Guidelines 2021, Industry Consultation

The Central Bank of The Bahamas is pleased to release, for a 60 day consultation period, its ***Draft Recovery Planning Guidelines*** that will serve as a general guide to implementing a supervised financial institution's (SFI's) recovery plan. These Guidelines represent another step in modernizing the recovery and resolution framework for banks and credit unions in The Bahamas, in line with international best practices.

In June 2018, the Central Bank released its first Consultation Paper (First Round Consultation), setting out its proposals for changes to the legislation relating to the resolution of problem banks. In October 2019, the Central Bank released a Second Round Public Consultation Paper. This paper summarised the key additional changes, which the Bank was proposing to the then draft Bills and Bylaws issued in the First Round Public Consultation. The proposed enhancements are now enacted in the Central Bank of The Bahamas Act 2020, the Banks and Trust Companies Regulation Act 2020, and the Protection of Depositors (Amendment) Act, 2020. Collectively, the legislation brings about reforms that allow the Central Bank to use an administrative approach to resolve failing banks, while improving the resilience and stability of the Bahamian banking sector.

This consultation paper summarises key elements which the Central Bank expects SFIs to include in their recovery plans. Further, these guidelines address the SFI's responsibility in developing and testing the institution's recovery plan, ensuring continued governance and accountability and the promotion of financial stability.

The document may be accessed on the Central Bank's website at www.centralbankbahamas.com, on the main page under Press Releases or in the Bank Supervision section under: Core Functions → Bank Supervision Department → Consultation Documents.

The consultation period will end on 18 February, 2022. Comments and questions regarding the proposed document should be directed to the following:

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