



***EXTRAORDINARY***  
**OFFICIAL GAZETTE**  
**THE BAHAMAS**  
PUBLISHED BY AUTHORITY

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NASSAU

28<sup>th</sup> April, 2023

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**CENTRAL BANK OF THE BAHAMAS**  
**(AMENDMENT) ACT, 2023**

**Arrangement of Sections**

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No. 6 of 2023

# **CENTRAL BANK OF THE BAHAMAS (AMENDMENT) ACT, 2023**

## **AN ACT TO AMEND THE CENTRAL BANK OF THE BAHAMAS ACT**

[Date of Assent - 28<sup>th</sup> April, 2023]

**Enacted by the Parliament of The Bahamas**

### **1. Short title and commencement.**

- (1) This Act, which amends the Central Bank of The Bahamas Act, 2020 (*No. 24 of 2020*), may be cited as the Central Bank of The Bahamas (Amendment) Act, 2023.
- (2) Section 2 shall be deemed to have come into force on the 1st day of December 2022.

### **2. Insertion of new section 17A into the principal Act.**

The principal Act is amended by the insertion, immediately after section 17, of the new section 17A as follows —

#### **“17A. Government may access Special Drawing Rights.**

- (1) For the avoidance of doubt, notwithstanding any other provision of this Act or any other written law and subject to subsection (2), the Minister shall be entitled to access, utilize or convert Special Drawing Rights allocated by the International Monetary Fund and apply the proceeds of such conversion —
  - (a) to reduce the Government’s foreign currency debt obligations; and
  - (b) to manage the Government’s foreign currency debt operations.
- (2) The Minister’s access, use or conversion of any Special Drawing Rights shall be —

- (a) consistent with any permitted use of Special Drawing Rights set out in guidance notes or policies published by the International Monetary Fund; and
  - (b) upon such terms and conditions as may be agreed between the Minister and the Bank, subject to the provisions of this Act.
- (3) Section 21 shall not apply to —
- (a) the use or conversion of Special Drawing Rights; and
  - (b) the proceeds from such conversion.”.

### **3. Amendment of section 21 of the principal Act.**

Section 21 of the principal Act is amended in subsection (4) by the deletion of paragraph (a) and the substitution of the following —

- “(a) the amount of the loans which may be outstanding at any one time, shall not exceed, in the aggregate fifteen and one half per centum of the average ordinary revenue of the Government or fifteen and one half per centum of the estimated ordinary revenue of the Government, whichever is the less;”.

### **4. Repeal and replacement of section 22 of the principal Act.**

Section 22 of the principal Act is repealed and replaced as follows —

#### **“22. Subscription to Government Securities from primary markets.**

The Bank shall not purchase or subscribe from primary markets Treasury Bills and securities issued or guaranteed by the Government or any public corporation.”.

### **5. Insertion of new section 22A into the principal Act.**

The principal Act is amended by the insertion, immediately after section 22, of the new section 22A as follows —

#### **“22A. Purchase of Government securities from secondary markets.**

- (1) The Bank may, for the purpose of implementing monetary policy, maintaining financial system stability or to support the working of the clearing and settlement systems, purchase from the secondary markets Treasury Bills and securities issued or guaranteed by the Government or a public corporation if the Treasury Bills and securities are negotiable.

- (2) For the purpose of subsection (1) the interest rates on the Treasury Bills and securities shall be specified by the Bank after giving consideration to prevailing market rates.”.



SCAN CODE