



**QUARTERLY LETTER ON REGULATORY AND SUPERVISORY DEVELOPMENTS**

**BANK SUPERVISION DEPARTMENT**  
**9 July, 2025**



## QUARTERLY LETTER

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### Introduction

Once again, we find ourselves at the time of year when business continuity and disaster recovery plans take on heightened priority, with the onset of the hurricane season. As always, SFIs are reminded to continually assess their readiness through testing of approved business continuity and recovery plans, to ensure ongoing operational resilience.

This quarter also marks the midpoint of the year, when we acknowledge several key supervisory and policy initiatives that were advanced in the first half of the 2025. Of note, these include - draft revisions to the Basel III Liquidity Risk framework; release of the consultation paper for Agency Banking in The Bahamas; and the launch of the Central Bank of The Bahamas' ("the Central Bank") Enterprise Application Portal ("EAP"). Additionally, several key legislative bills were materially advanced through Parliament and await official gazetting. Notably, the revised Executives Entities (Amendment) Bill and the Banks and Trust Companies Regulation (Amendment) Bill were amended which would now accommodate the registration of these entities with the Central Bank of The Bahamas. We are also awaiting the gazetting of the amendments made to the Banks and Trust Companies (Payment of Dividend) Regulations and the Banks and Trust Companies (Administrative Monetary Penalties) Regulations. A public announcement will be made, once notice of the effective dates have been gazetted.

### Common Reporting Standards ("CRS") Reviews

Pursuant to the Automatic Exchange of Financial Account Information (Competent Authority) (Delegation of Functions) Order, 2024, the Minister of Finance has delegated responsibility for administering and enforcing compliance with the CRS Act to the Designated Supervisory Authorities, including the Central Bank of The Bahamas. Accordingly, in May 2025 the Central Bank, in collaboration with other financial services regulators, commenced CRS compliance reviews of its Supervised Financial Institutions (SFIs). This new and ongoing workstream is essential to ensuring that SFIs—and The Bahamas—comply with the jurisdiction's obligations under the Automatic Exchange of Financial Account Information Act, 2016 and subsequent amendments.

### Targeted Financial Sanctions Reporting Forms

The Central Bank, in collaboration with the Group of Financial Services Regulators ("the GFSR"), recently provided notice to SFIs of the joint implementation of the uniform targeted financial sanctions reporting forms, along with accompanying guidance notes, effective 1 July 2025. This collective effort aims to strengthen coordination among GFSR agencies and make the regulatory reporting process more efficient. Accordingly, the four forms that were developed (Forms A – D) have varying reporting requirements. These outline specific criteria that should be fulfilled in order to be deemed satisfactorily completed and submitted in accordance with the respective International Sanctions obligations. SFIs are encouraged to review the accompanying guidance

notes which can be found on the Central Bank's website: [GFSR Guidance Notes on Targeted Financial Sanctions Reporting Forms](#).

### **Basel III Liquidity Reforms**

As part of the consultation process to implement the revised liquidity risk framework, the Bank Supervision Department engaged a select group of SFIs to test a new data return form. This is to ensure that the proposed form adequately captures material data points that would assist the Central Bank in assessing the revised liquidity requirements associated with the calculation of the Liquid Coverage Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR"). This process complements the consultation period for SFIs to review the revised drafts of the Liquidity Regulations and Guidelines ("Liquidity Framework") which have been updated to appropriately align with the standards advanced by the Basel Committee on Banking Supervision ("Basel Committee").

As a reminder, the consultation period to submit feedback on the proposed liquidity framework began on 22 May, 2025 and is scheduled to conclude on 22 August, 2025.

### **Payment Service Providers**

Pursuant to Section 15 of the Payment Instruments (Oversight) Regulations 2017, ("PIOR"), Payment Service Providers are reminded that prior to engaging an Agent, they are required to provide the Central Bank with the requisite documents listed in Section 15 (1) (a)-(e) in support of the request for the Central Bank's no objection of the Agent.

In addition, Payment Service Providers are reminded to keep an updated list of all Agents on their website, in accordance with Section 15 (2)(3) of the PIOR.

### **General Mailbox**

SFIs are reminded to provide the Central Bank with a general mailbox through which electronic communications can be received. This is to ensure that Central Bank communications continue to be received when staffing changes occur. The Central Bank will not distribute mass communications to individual email boxes. Therefore, those SFIs that recently provided personal email addresses to receive broadcast messages during the Central Bank's data integrity exercise will be required to update these contacts to with a general mailbox.

### **Policy Updates**

The consultation period for the Consultation Paper on Agency Banking ended on 30 June, 2025. We thank stakeholders for their feedback which supports efforts to develop a regulatory and supervisory structure for agency banking in The Bahamas. All comments received are currently being collated and reviewed in preparation to be shared with industry stakeholders as part of Central Bank's process to operationalise the agency banking framework.

In closing, we look forward to our continued collaboration during the second half of the year.

*Karen Rolle*

**Karen Rolle**

Inspector of Banks & Trust Companies

Any questions regarding this letter should be directed to:

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