



**QUARTERLY LETTER ON REGULATORY AND SUPERVISORY DEVELOPMENTS**

**BANK SUPERVISION DEPARTMENT**  
**20 January, 2026**



## QUARTERLY LETTER

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### Introduction

We take this opportunity to wish you all a happy and productive 2026!

This year will be a crucial year for the financial services sector as The Bahamas makes preparation for the Caribbean Financial Action Task Force (CFATF) Fifth Round Mutual Evaluation (MEVAL) exercise. The actual onsite visit is scheduled for 19 – 30 October, 2026. The MEVAL is a peer review process conducted under the Financial Action Task Force (FATF) Methodology and coordinated by CFATF, to assess the extent to which a member jurisdiction has implemented an effective AML/CFT/CPF regime. The assessment will focus on FATF Recommendations including the twelve under review (R.1, 2, 4, 8, 15, 16, 24, 25, 30, 31, 38, and 40), which reflect recent updates to FATF Standards. In addition, the evaluation will assess effectiveness against the eleven FATF Immediate Outcomes, which measure whether a country is achieving intended AML/CFT results.

The Central Bank of The Bahamas, along with our domestic regulatory partners, remain committed to reinforcing the importance of strong governance, effective risk management, and demonstrable compliance outcomes across the financial sector.

Throughout 2025, the Central Bank continued to advance both legislative and policy initiatives to bolster our AML/CFT supervisory framework. This included coordination of data gathering and reporting with members of the Group of Financial Services Regulators, Ministry of Finance, Office of the Attorney General and Ministry of Legal Affairs, and other key industry stakeholders. The results of such efforts will be assessed during the Mutual Evaluation.

In 2025, we also expanded our supervision and onsite examination protocols to assess SFIs' capacity to comply with the reporting requirements arising from Common Reporting Standards (CRS) promulgated by the Organization for Economic Development (OECD). In coordination with the Ministry of Finance and other local Designated Supervisory Authorities (DSA) we continued to enhance supervisory reforms to address key effectiveness recommendations identified by the OECD assessors.

With the year ahead in mind, in the fourth quarter of 2025 the Central Bank also materially advanced several of its remaining strategic supervisory and policy initiatives through public consultation and industry briefings. Some of the matters outlined below and throughout the year remain a work in progress, with completion imminent in 2026. Accordingly, we anticipate ongoing engagement with industry stakeholders on these matters in 2026.

### Compendium of Legislative Reforms

Following our Q3-2025 Quarterly Letter, which outlined the compendium of legislative reforms via amendments to several key pieces of legislations, the Central Bank received noteworthy feedback during the consultative period. This feedback has been carefully discussed and considered against the proposed amendments. The Central Bank will publish prepared responses to the consultation feedback by the end of January.

**AML Empirical Research Conference**

The Central Bank will host its seventh annual International Research Conference on Empirical Approaches to Anti-Money Laundering and Financial Crime on 22-23 January 2026, at the Margaritaville Beach Resort in Nassau, Bahamas. The event remains one of the world's leading financial crime research conferences, promoting scholarly and policy-oriented work in this critical area for international financial centers. As always, the conference will facilitate dynamic discussions and advance topical and emerging issues arising within the sector. We are grateful for the continuous support of the Inter-American Development Bank along with our ongoing partnership with other international standard setting bodies.

For more information on registration and attending the conference we invite you to visit the website at [Bahamas AML Conference 2026](#).

**Annual Industry Briefing 2026**

The Central Bank will provide notice to SFIs, under separate cover, for the Annual Industry Briefing for 2026. At the briefing we will update you on key initiatives that began in 2025; and share our planned supervisory focus for 2026, along with proposed strategic objectives, legislation, and policies we intend to promote in 2026.

**Registration of Qualified Executive Entities**

Following the public consultation on the revised [Application Guidelines for Private Trust Companies, Qualified Executive Entities, and Registered Representatives](#) (the Guidelines), which ended on 15 December, 2025, the Central Bank has published the document in final form on the Bank's website. Additionally, both a Press Release and Industry Notice announced the publication.

Registered Representatives and Qualified Executive Entities (QEE) are reminded to submit all of the required fit and proper documents along with the administrative and filing forms to regularize their compliance with the registration requirements. In the case of a QEE, submission of this registration should also include a certified copy of the annual registration issued by the Registrar General along with the initial certification. Additionally, Registered Representatives must also certify to the Central Bank that the Executive Entity continues to qualify to be exempted from the licensing requirements for trust companies.

All of the required application and registration documents should be submitted to the Authorization and Administration Unit via email ([BSD@centralbankbahamas.com](mailto:BSD@centralbankbahamas.com)), on or before 31 January, 2026.

**Basel III Liquidity Reforms**

In November 2025, the Bank Supervision Department concluded its Quantitative Impact Study (QIS) with a select group of SFIs who participated in the testing and development of a new proposed data return form. As indicated in our previous quarterly letter, the objective of this testing was 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"). The selected SFIs valuable feedback throughout the exercise will have an opportunity to assist us further with a Post-QIS Survey. The follow-up survey will allow SFIs to submit more granular observations and recommendations that will

assist in further scaling of the forms to accommodate the project's objectives. The Post-QIS survey was issued on 7 January, 2026 and is set to conclude by the end of the month.

### **Policy Updates**

As specified to SFIs throughout the year, work on other key policy initiatives continued during the second half of the year.

During the fourth quarter of 2025, the Central Bank commissioned the second round of Sanctions Thematic Review which was executed by the international firm, AML Analytics. The follow-up review included a targeted horizontal assessment of around 30 SFIs, with supervisory letters issued to communicate the results. Following the thematic review, on 20 November 2025, the Central Bank issued Sanctions Screening Guidance Notes to clarify supervisory expectations and promote consistent, risk-based standards across the sector. While the thematic review indicated improvements in the sanctions screening approach by SFIs, the Guidance Notes were intended to provide additional guidance to all SFIs to ensure they have a robust methodology in place on an ongoing basis.

In addition, the Central Bank issued a Guide to the AML/CFT/CPF Ladder of Supervisory Intervention for public consultation during the 4th quarter of 2025. The guide is expected to be published in final form during Q1- 2026.

Public feedback and additional research on key policy guidelines such as Agency Banking, Large Exposure, authorization requirements for Compliance Officers, and Corporate Governance have proven paramount to their completion and eventual implementation in 2026.

In closing, Q4-2025 saw the culmination of several key projects that facilitated industry engagement and provided helpful feedback towards completion. We look forward to our continued collaboration and feedback as we prepare to achieve our jurisdictional objectives in 2026.

*Karen Rolle*

### **Karen Rolle**

Inspector of Banks & Trust Companies

Any questions regarding this letter should be directed to:

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