

AIBT NEWS

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IN BRIEF

Financial Services Virtual Industry Consultation - "Financial Services and Economic Recovery":

The Financial Services Sub-committee ("FSS") of the National Economic Recovery Committee invited industry participants and stakeholders to attend an interactive engagement session on Monday 20 July at 2pm via Zoom. The purpose of the meeting was to provide a broad overview of the work being carried out by the FSS and to receive feedback from the industry.

Economic Recovery Committee: AIBT developed a document in conjunction with BFSB which was eventually submitted to the Economic Recovery Committee regarding industry issues that need to be resolved/reviewed/decided upon in the near term. AIBT Co-Chairs Ivan Hooper and Bruno Roberts were named to the ERC International Financial Services Sub-Committee.

Issues Related to Registrar General & Immigration Departments:

With issues experienced around the registry and the Immigration department AIBT, along with Bahamas Financial Services Board (BFSB), wrote a letter to the Prime Minister to seek a meeting to discuss industry issues and recommendations to ensure the availability of services during emergencies periods. It was noted that due to the Budget Debate the meeting had not yet taken place. It was unfortunate that the Public Services went on vacation while the Financial Industry continued to work during the COVID-19 lockdown period.

Bahamas CRS Exchange Partners for 2020

Exchanges: The Bahamas has activated exchange relationships to exchange information under the AEOI Standard in 2020 (i.e. for information relating to the 2019 reporting year) on a non-reciprocal basis with a number of partner countries. The full list can be found on the AIBT website. A notification confirming the relevant reporting deadlines will be circulated and uploaded to the tax reporting website in due course.

Outsourcing Guidelines: The Central Bank of The Bahamas welcomed comments and other feedback on the [Outsourcing Guidelines](#) from stakeholders. Comments were sent to AIBT or directly to the [Policy Unit](#), Bank Supervision Department. ■

NEW BOARD OF DIRECTORS ELECTED AT AGM

In what was the first of its kind for AIBT, the Annual General Meeting was held virtually via the Zoom platform on June 25th, 2020 with 38 in attendance. The Minister of Financial Services, Trade & Industry and Immigration, Hon. Elsworth Johnson delivered opening remarks. At the meeting, the following Directors were confirmed to continue their term (2019-2021):

- **Kimberly E. Strahan**, Rhone Trustees (Bahamas) Limited
- **Todd Beneby**, Sterling Bank & Trust Limited
- **Ivan Hooper**, The Winterbotham Trust Company Limited

Directors offering for re-election were also confirmed to serve a two-year term (2020-2022), namely:

- **Miles Evans**, Clairmont Trust Company Limited
- **Christine Russell**, Corner Bank (Overseas) Ltd.
- **Bruno Roberts**, The Private Trust Corporation Limited
- **Bernard Sechaud**, UBS Trustees (Bahamas) Limited

Finally, the following nominees were confirmed to serve a two-year term (2020-2022):

- **Ludovic Chechin-Laurans**, Capital Union Bank Limited
- **Perry Rolle**, CIBC Trust Company (Bahamas) Limited
- **Gowon Bowe**, Fidelity Bank (Bahamas) Limited
- **Niekie Horton**, Lombard Odier & Cie (Bahamas) Limited
- **Laverne Thompson**, MMG Bank Limited
- **Shawn Forbes**, Pictet Bank & Trust Limited

AIBT thanks these industry leaders for their ongoing support and commitment to helping the organization carry out its mandate. We also extend sincere thanks to retiring Directors Fabrizio Tuletta and Jean-Marc Fellay, as well as those whose terms ended: Antoinette Russell, Rochelle Rolle, Jan Mezulanik and Daniel-Marc Brunner. ■

For more information and/or assistance, contact AIBT at (242) 393-5500 or via email info@aibt-bahamas.com.

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Virtual Symposium Held by Ministry of Financial Services, Trade & Industry and Immigration

The Ministry of Financial Services, Trade & Industry and Immigration held a Virtual Symposium on 20th May, 2020 the purpose of which was to inform industry stakeholders of the Ministry's initiatives to address the COVID-19 crisis and to engage discussions on the way forward for the financial services sector, inclusive of trade & industry and immigration. The theme of the symposium was "An Opportunity for Advancement, Innovation and Creativity".

Remarks were delivered by the Prime Minister of The Bahamas Rt. Hon. Dr. Hubert Minnis, the Minister of Financial Services, Trade & Industry and Immigration Hon. Elsworth Johnson, and the Attorney General Hon. Carl Bethel, QC. Copies of the full remarks are available on the AIBT website. ■

“ *The Ministry of Financial Services, recognizing the importance of a modern, progressive “national development-focused” immigration framework for the growth of the financial services sector. I am happy to inform you that we have begun making substantive progress on tax residency certificate legislation, working closely with the Law Reform Commission in the Office of The Attorney-General.* ”
- **Hon. Elsworth Johnson, MP**

Statement from the Office of the Attorney General on the hack of RGD Database

1, JUNE 2020 - The e-Service Business Registration Platform of the Registrar-General's Office was launched by the Bahamas Government in 2016. The data required by law to be maintained in the Companies registry is available to the public, upon the payment of a Search Fee.

Since 2000 as a part of our compliance regime it has been a legal requirement that a register of directors and officers be filed at the Companies registry. The Bahamas remains committed to the transparency of its corporate registry. Having said this, we regret to confirm that sometime during the month of January 2020, criminal elements

associated with a group called "Distributed Denial of Secrets" unlawfully hacked into the AS400 Server housing the Registrar-General's filings information - which is thereafter transferred to the e-Services Business Registration system - and stole the information therein housed. The said information has recently been published and widely distributed. These acts are breaches of the Data Protection Act and the Penal Code.

It should be specifically noted that the data, illicitly acquired, is required by Law to be maintained in the Companies Registry and is readily available to the public, upon payment of a search fee. This group was apparently formed in or about December 2019. Two persons have come forward and have been identified as principal "activists" in the group, namely Emma Best and Lorax Horne.

FATCA & CRS Reporting Update

The Bahamas Competent Authority announced that the Automatic Exchange of Information portal will open for FATCA & CRS-AEOI registration and submission on Monday August 17th at 9 am EDT and close on Wednesday September 30th 2020 at 5 pm EDT. The updated list of CRS-AEOI exchange partners as at 4th May, 2020 is posted on the [tax information website](#).

Key Dates:

Portal Opening for FATCA & CRS-AEOI Registration & Submissions: **Monday August 17th, 2020 at 9am EDT.**

Closing Date for FATCA & CRS-AEOI Reporting: **Wednesday September 30th 2020 at 5 pm EDT.**

The Bahamas Competent Authority AEOI Portal and Enrollment for FATCA & CRS-AEOI reporting can be accessed through the internet here: <https://aeoi.portal.taxreporting.finance.gov.bs/>.

The Bahamas Competent Authority AEOI Portal User Guide is posted on the [website](#) under the tab FI Information under **Portal Documentation**.

Please review the guidance provided under Data Preparation, Portal Video and Portal Help & FAQ. The Competent Authority encourages all FI's to continue to check the information website for updates. If there are any queries, kindly submit an email to helpdesk@taxreporting.finance.gov.bs or information@taxreporting.finance.gov.bs. ■

A thorough Police investigation is also currently underway, along with a review of all digital security systems. Based on the findings, all necessary action will be taken to ensure that we maintain the requisite data protection, as we understand the importance of this to upholding Bahamian Law, to the business community and to the general public.

The Office of the Registrar-General, under the guidance of DTAD, was ALREADY in the midst of upgrading to a new Server, with improved security features. This process is now being accelerated. It is important to note that the secured and separate database storing beneficial ownership data required to be electronically filed, under the Register of Beneficial Ownership Act, was not affected by the hacking exercise; nor was the same in any way compromised. ■



OFFICE OF THE ATTORNEY GENERAL:

Q & A ON THE EU LISTING OF THE BAHAMAS

Question 1: Is the recent EU listing about tax cooperation?

Answer: No. This list is completely separate from the EU tax blacklist, and has been tabled under the 4th EU Anti-Money Laundering Directive, (AMLD4) which is the EU law that outlines measures to prevent the use of the financial system for the purposes of money laundering or terrorist financing. Article 9 of this directive requires the EU to identify "high-risk third countries with strategic AML/CFT deficiencies." The Bahamas is compliant on tax cooperation and transparency and is not included on any EU blacklist for tax purposes.

Question 2: Has the EU list taken effect?

Answer: No. The AML list published by the EU Commission is a proposed list, is not yet final and it is not yet formally adopted by the EU. The EU Commission has the Delegated authority to propose a list. However, the EU Council and the European Parliament have one month to object to the EU Commission's assessment. If either body objects, the list will not be finalized and will not be formally adopted. This was what happened to the list proposed by the EU Commission in 2019 which was rejected by the EU Council on the basis of the inclusion of Saudi Arabia and four U.S. territories, each of which provoked objections from some Member State governments. If the list is finalized and adopted by the EU it will go into effect in October, 2020.

Question 3: What was the stated criteria for inclusion on the most recent list?

Answer: The principal stated reason for the inclusion of the Bahamas was the inclusion of The Bahamas on the FATF list of

jurisdictions with strategic AML deficiencies, known as the 'Grey List'. The FATF has acknowledged that The Bahamas has remediated the issues identified in its assessment of our anti-money laundering framework and had agreed to an on-site inspection as part of the formal process of exiting the 'Grey List'. This on-site visit was scheduled for April 2020 but had to be postponed as a result of the COVID19 pandemic. The Bahamas will continue to liaise with the FATF to ensure the on-site inspection takes place as soon as possible with a view to The Bahamas being removed from the 'Grey List' prior to finalization of the EU AML blacklist in October, 2020.

Question 4: What is the motivation behind publication of the EU's AML listing?

Answer: The EU Commission has indicated that the most recent list revisions is a part of the overhaul of its AML/CFT regime. The process has been shown to be both technical and political in the determination of which jurisdictions are listed. There has been evident conflict between Member States of the EU Council and the EU Parliament over the scope of the blacklist. The EU has just launched a proposal to revamp the AML regime in the EU, with responsibility proposed to be consolidated in an EU regulatory oversight body as opposed to the Member States. This will be subject to much debate in the EU Member States.

The EU Commission has specifically reaffirmed that there are no ulterior motives towards any country which underpinned the composition of the list and that, in the absence of any specifically devised methodology, the only methodology being

followed was that of the FATF. The sole criterion for listing is whether a jurisdiction is subject to an ICRG Action Plan agreed with the FATF. Once a jurisdiction has been removed from the FATF list, the same course of action will be taken in respect of the EU list.

Question 5: What is The Bahamas' response to the EU's AML/CFT Blacklist?

Answer: The Bahamas has expressed its disappointment to the EU over the EU's intention to include The Bahamas on the list of high risk third countries. We are engaged with EU officials at the highest diplomatic and political level to demonstrate the strength of The Bahamas' AML/CTF regime. The Bahamas maintains that it is attaining the highest standards in the fight against money laundering, terrorist financing and other identified financial crimes risks.

The Bahamas remains fully committed to the highest standards of compliance with every internationally agreed standard of conduct. Again, The Bahamas will continue to liaise with the FATF to ensure the on-site inspection takes place as soon as possible with a view to The Bahamas being removed from the 'Grey List' prior to finalization of the EU AML blacklist in October, 2020.

Having now reached Stage 1B in the national plan for re-opening the economy, The Bahamas is ready to accommodate the on-site visit at any convenient time, going forward. ■