



Financial Regulatory Update 2016 – Exchange Control

Measures towards a continuing of the liberalization of The Bahamas' exchange control regime took effect April 2016¹. The latest step in the liberalization process relates to transactions on both the capital account (investments and borrowing) and the current account (trade) transactions.

The current account items, in particular, involve increased delegated authority for commercial banks and Money Transmission Businesses (“**MTBs**”), in respect of imports, education-related remittances, small gifts to non-residents and transfers outside The Bahamas by work permit holders. On the capital side, areas affected include investments abroad, and borrowing inside The Bahamas by temporary residents and work permit holders.

Under delegated authority, commercial banks and MTBs are able to approve certain applications to purchase foreign currency, within specified dollar limits, without prior reference to the Central Bank of The Bahamas (“**CBB**”), once customers provide evidence of the external obligation or need. In the absence of delegation, sales of foreign exchange may only be accommodated after the approval from the CBB has been provided.

This is Delaney Partners' update to clients arising out of the recent announcement.

A. ADJUSTMENTS TO PRESENTLY DELEGATED CURRENT ACCOUNT ITEMS