



The Central Bank of The Bahamas

&

Securities Commission of The Bahamas

NOTICE

Re: Protocol for the On-Site Examinations of Jointly Regulated Financial Institutions

The Central Bank of The Bahamas and the Securities Commission of The Bahamas (“the Agencies”) are pleased to announce the execution of a revised Protocol for the on-site examination of banks and trust companies (“jointly regulated financial institutions”) regulated by both Agencies.

Firms will recall that, in 2008, the Agencies signed a *Protocol for Joint On-site Examinations by the Central Bank of The Bahamas and the Securities Commission of The Bahamas*, which outlined a programme for the coordination of on-site examinations of jointly regulated financial institutions (“the 2008 Protocol”). Recently, the Agencies undertook a comprehensive review of the 2008 Protocol, with a view to enhancing and further streamlining the on-site examination process for jointly regulated financial institutions. Particular attention was given to ensuring mechanisms for more effective:

- a. planning, timing and scheduling of joint on-site examinations;
- b. preparation and execution of joint on-site examinations;
- c. reporting of examination findings and recommendations; and
- d. follow-up and enforcement actions, if any.

Under the revised Protocol, the Central Bank, as the primary regulator/supervisor for banks and trust companies, will continue to coordinate **all** areas related to the conduct of joint on-site examinations. The practical effect of this arrangement will be that the Agencies will present a “single face” to jointly regulated financial institutions. This will include, inter alia, sending one notice of an examination, a single request for advanced information—setting-out any additional documents/information required by both Agencies—which should be returned to the Central Bank, a unified team of examiners led by the Central Bank, a single Report of Examination (RoE), and co-ordinated follow-up/enforcement procedures for issues identified

in the RoE. The Central Bank will be the primary point of contact for all communication with the firm on matters related to the on-site examination programme. These joint on-site examinations will cover **all** types of reviews, i.e., full safety and soundness and focused reviews, as well as assessments of compliance with securities regulations.

This initiative is intended to reduce the regulatory burden related to the on-site examinations of jointly regulated financial institutions, while also ensuring the continued safety and soundness of firms, and more broadly, the stability of the financial sector.

Any questions regarding this Notice should be directed to:

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