



Remarks

**Hon. Elsworth N. Johnson
Minister of Financial Services, Trade & Industry
and Immigration**

Wednesday 20 May 2020

10:00 am

I would like to start by thanking my colleague Ministers for joining us today. I want to assure industry that as it relates to any issues that may impact our jurisdiction's brand, we are taking a whole-of-government approach. We are working together.

I also echo the Prime Minister's sentiments and commend the financial services sector for remaining open for business, responsibly. Years of technological innovation in the industry has made it resilient, even given the challenges that this global pandemic has presented.

At a time when so much of our daily activities are focused on creating distance to protect ourselves and our community from the spread of COVID-19, this Ministry is looking at redoubling our efforts and deepening our engagement.

In the past, this might have meant industry breakfasts and in-person stakeholder meetings. However, the current crisis means that we cannot go back to business as usual. Virtual events like the one we are participating in now are a great way to connect, even across borders. More than 350 people RSVPed for today's virtual event. This digital platform facilitated that kind of commitment from a broad cross-section of industry stakeholders.

With travel restrictions and border closings, the conventional approach to our international engagement and promotion is not an option in the current environment. Along with necessary cuts to the national budget, this means that we must transform our promotion strategy to rely on digital and other means that do not rely on travel.

We are nearing completion of a modern website for the Ministry and the development of new Ministry branding and a social media presence. For the first time, a Ministry-wide communication strategy will guide the use of these and other public relations assets. We began the planning for this strategy by holding a visioning session involving critical internal stakeholders, regulators, and industry representatives.

Industry stakeholders can expect increased and more strategic consultation in the coming months. To do this, we will continue to work closely with the Bahamas Financial Services Board in both their efforts to represent the domestic industry abroad and to promote The Bahamas as a niche provider in global financial services.

I want to emphasize that this commitment to the financial services industry is not just an empty statement. We are mobilizing resources, especially as it relates to staffing-up the Ministry.

It has been 6 years since the Ministry has had Director of Financial Services. We have filled this vital position to ensure we have the internal capacity to support the industry. The Director is herself supported by a Deputy Director. There has NEVER been a Deputy Director in the

Ministry of Financial Services and I hope this further demonstrates our commitment. Lastly, this team will soon include an officer specifically focused on guiding our policy on arbitration.

We know that the best way to support you is to start by listening to you.

One of the needs we have heard echoed by many industry stakeholders is moving legislation vital to the continued advancement of the sector.

We are committed to an aggressive legislative and regulatory agenda. We will move quickly on new amendments, including the removal of the requirements for the use of seals, and on clarifying the rule against perpetuity and who can benefit from the use of foundations.

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.

The issue of residency is an important matter given global developments on tax transparency. The OECD released its Standard for Automatic Exchange of Financial Account Information, which has a self-certification process for establishing residency for tax purposes, as the basis of information sharing.

In this regard, the concept of “residency” and specifically “tax residency” in The Bahamas has to be carefully defined, especially if The Bahamas is to remain progressive and ahead of the changing global dynamics in international financial services.

The Tax Residency Certificate will be issued with a unique NIB TRC number. To be eligible for a tax residency certificate, the resident must pay the relevant fees and make an annual payment towards National Insurance at the rate and maximum wage ceiling for that particular year or be subject to another applicable tax.

We have received proposals from industry, the benchmarking has been completed, and we are working closely with BFSB and their legal policy committee. Updates on this are forthcoming.

Finally, after the latest round of consultation, we have a working draft of the Nationality, Immigration and Asylum Bill 2019 that we intend to disseminate for industry’s comments.

The timing of this could not be better as we double-down on our efforts to push for digitization across the Ministry, especially in the Department of Immigration.

“Digitization” has become a buzzword as we navigate through the COVID-19 crisis. But, with innovation and creativity we are working to transform our service delivery model through digitization.

The Integrated Immigration Management System has been an ongoing project since 2016, and while progress has been made, we are working to accelerate its implementation.

Already the allows for the digitization of all of our record types; border crossings, permit application processing, arrests and detention etc., and complies with the government-wide digitization and transformation initiative.

We have formed a steering committee to give this project the focus it deserves. This steering committee includes government leadership, as well as members of the private sector with experience in project management and ICT, and who are regular customers of the Department of Immigration.

Our goal is not just to streamline immigration processes through digitization, but to also eliminate corruption by making the system cashless through online payments.

I cannot stress how vital tackling corruption in the Department of Immigration is to our agenda. It is a primary focus for us here at the Ministry, and I am happy to report that we have create a new position to specifically accept and investigate complaints, and to root out corruption. This is not just conceptual. The Cabinet has discussed the need for such an officer, and we are moving forward in the hiring process.

Finally, if this crisis has taught us anything, it is that the new frontiers of yesterday can very well come the necessities of today. For all the years of resistance to virtual meetings or working from home, we have no choice but to use these means to stay connected and productive now.

Together I believe that we can respond to the challenges we currently face, maintain the stability of our financial services industry, and grow the sector to leverage future opportunities. There is still much work to be done. However, by working together, we can build upon the unique qualities that have made us the clear choice for financial services and ensure that our financial services sector remains an indispensable pillar of future economic growth.