

## Financial Services Looking Past Challenges To Future

March 12, 2019

The Bahamas Financial Services Board's (BFSB) annual International Business & Finance Summit (IBFS) explored both potential growth possibilities and the impact of regulatory changes.

Held at the Hilton Resorts World Bimini from February 28 to March 2, under the theme Balancing Change with Continuity, the conference sought to balance giving attendees insight into the current regulatory environment and key international initiatives with a focus on opportunities to expand the Bahamian financial services industry.

Those present were encouraged to leverage the key elements of the Bahamas' "value proposition", namely its location, innovation and expertise, as the financial services industry balances changes in the operating and regulatory environment with the need to remain sustainable.

Antoinette Russell, BFSB's chairman, said: "We meet at a crucial juncture for our industry. The forces of change currently in play causes many to question our prospects for the future. In this context, we determined that it was important that we use this opportunity to do some introspection and look at the role of IFCs (international financial centres) such as ours in the global economy moving forward.

"With this backdrop we will then consider the most recent changes impacting the way that we do business. It is anticipated that we will then engage in a full and frank discussion on how we should balance these forces of change, repositioning of our core attributes whilst leveraging opportunities for innovation."

Challenging attendees to see opportunity in The Bahamas' present situation, Brent Symonette, minister of financial services, trade and industry and Immigration, said: "A challenge can often be viewed as an opportunity. A downturn can be a chance to streamline a business. And a changing regulatory environment can be seen as an opportunity for The Bahamas to demonstrate its professional skills and high standards.

"I believe we are in a good position to use the shifting landscape of global regulatory standards to attract more business to our country. In short, I see the challenges facing The Bahamas now as opportunities. These opportunities must be the focus that will enable us to fortify them into reality."

The Summit opened with a panel comprised of John Delaney, former attorney general and senior partner at Delaney Partners; and Diego Zuluago, policy analyst at The Cato Institute in Washington DC; and James Smith, former governor of the Central Bank of The Bahamas.

The panel focused on The future of international financial centres. The industry's evolution was outlined by Mr Smith, while Mr Delaney focused on the opportunities that exist for the sector's sustained growth if there is a focus on creating real substance for both individuals and entities.

Mr Zuluaga, a sought-after international speaker, highlighted the importance of international financial centres such as The Bahamas in the global economy.

K Peter Turnquest, deputy prime minister, outlined the government's initiatives to enhance the economy with an emphasis on the financial services sector. The Ministers' Roundtable participants included Mr Turnquest, Mr Symonette and Ellsworth Johnson, minister of state for legal affairs. Attendees engaged in a full and frank discussion as to the future of the financial services industry. Some of the themes covered included:

1. Outcomes of recent dialogue with European Union (EU) and Financial Action Task Force (FATF) officials
2. Removal of preferential tax regimes
3. Beneficial Owner registers
4. Mitigating de-risking
5. Immigration Process/Policy
6. Impact of WTO on the financial services sector
7. Controlled liberalisation of the Bahamas Bar
8. The Role of the private sector in educating the public on the issues impacting financial services

Other topics and speakers over the two-day Summit included:

1. Michael Paton, partner, Lennox Paton, who gave an in-depth update on International initiatives and The Bahamas' response
2. Michael Halkitis, consultant, FxPro/Morgan and Drake, who presented on The Death of Privacy?
3. Linda D'Aguilar, partner at Glinton, Sweeting and O'Brien, examined Global tax enforcement measures- a case study
4. Christina Rolle, executive director of The Securities Commission of The Bahamas, presented on Fintech: Balancing innovation and regulation
5. Michael Allen, partner at Higgs & Johnson, and LLewelyn Boyer-Cartwright, partner at Callendars & Co, led a panel on Aviation and financial services: Creating linkages
6. Hal Webb, partner at Bilzin Sumberg Baena Price & Axelrod LLP, presented on Advising the Latin American client
7. Alyia Allen, partner at Graham Thompson, spoke on Professional expertise, substantial presence: Keys to Continuity
8. Michelle Thompson, country manager for EY, and Valdez Russell, chief executive of VKR Insights, who facilitated a vision board experience where delegates discussed, What do we want the financial services industry to look like?

Tanya McCartney, the BFSB's chief executive and executive director, said: "Despite the numerous policy and international initiatives which threaten to overtake us, we must continue to focus on business development."

She added that BFSB members continue to focus on Latin America as a target market, whilst also looking at opportunities for new product development. She outlined that BFSB intends to host promotional events in New York, Miami, Brazil, Mexico City and Dubai in 2019.