



**CENTRAL BANK OF BARBADOS
EXCHANGE CONTROL ACT, CAP.71**

**EXCHANGE CONTROL CIRCULAR
NUMBER 1
FEBRUARY 2020**

**To: AUTHORISED DEALERS AND
AUTHORISED DEPOSITARIES**

ADMINISTRATION OF EXCHANGE CONTROL

The governing legislation for Exchange Controls in Barbados is the *Exchange Control Act, Cap.71* of the Laws of Barbados. This Circular outlines the administration of Exchange Control in Barbados.

1. Delegation of Authority

The powers given in the *Exchange Control Act, Cap.71* are vested in the Exchange Control Authority who is the Minister of Finance.

The authority to administer the Act was delegated to the Central Bank of Barbados ("the Bank") from January 1, 1973 by the Minister of Finance. The Bank has delegated some of its authority for approval of some applications to Authorised Dealers.

The terms and conditions under which authorised dealers may approve applications under delegated authority are specified in the Exchange Control Circulars or otherwise formally communicated in writing or electronically by the Bank.

2. Definitions

- a) Authorised Dealer – A person authorised by an order of the Authority to act under the Exchange Control Act in relation to transactions in gold or foreign currency (Section 2 of the Exchange Control Act).
- b) Authorised Depositary – A person authorised by an order of the Authority to act in respect of the issue, registration and custody of securities in accordance with Part IV of the Exchange Control Act.

3. **Responsibilities of Authorised Dealers and Authorised Depositaries**

- a) Authorised Dealers are required to exercise the necessary due diligence at all times to ensure the proper discharge of their responsibilities as Authorised Dealers.
- b) Authorised Dealers and Authorised Depositaries must ensure that all of their transactions are undertaken strictly in accordance with:
 - i. the *Exchange Control Act, Cap.71*;
 - ii. the Exchange Control Circulars; and
 - iii. any specific directives communicated in writing or electronically by the Bank.
- c) Authorised Dealers and Authorised Depositaries are required to explain to their customers any obligations that are imposed on them by the *Exchange Control Act, Cap.71* and ensure that their customers are given appropriate information and guidance on Exchange Control matters.
- d) Authorised Dealers and Authorised Depositaries are required to ensure that:
 - i. the requisite Exchange Control forms are appropriately completed by their customers;
 - ii. documentary evidence is attached, wherever necessary; and
 - iii. the information given on the forms is verified to the best of their ability.

(See Appendix I for list of Authorised Dealers and Authorised Depositaries)

4. **Duties of Authorised Dealers**

Authorised Dealers are required to exercise the authority within the guidelines of the Exchange Control Circulars and directives issued by the Bank, as set out below:

- a) to act as Authorised Dealers in gold;
- b) to act as Authorised Dealers in foreign currencies and for this purpose, to open and maintain accounts in those currencies;
- c) to approve applications under delegated authority; and
- d) to provide such statistical returns or information as may be required by the Bank in accordance with the determined deadlines.

Authorised Dealers are required to refer all matters relating to exchange controls which do not fall within the scope of their authority to the Bank.

5. Duties of Authorised Depositaries

The duties of Authorised Depositaries are:

- a) to receive securities into deposit;
- b) to act generally in accordance with permissions given under Part IV of the *Exchange Control Act, Cap. 71*, in relation to securities; and
- c) to provide such statistical returns or information as may be required by the Bank.

6. Exchange Control Circulars

The purpose of Exchange Control Circulars is to document Exchange Control operating regulations for the guidance of Authorised Dealers and Authorised Depositaries. Circulars are numbered serially and dated and, where subsequent changes are made, a revised Circular may be issued.

7. Prescription of Currency

- a) The term "foreign currency" refers to the currency of a country other than Barbados.
- b) Payments abroad by residents of Barbados to residents of other countries must be made in any foreign currency.

8. Reference to the Bank

Authorised Dealers are required to refer all cases to the Bank which are outside the scope of their authority or that are not covered under the respective Circulars. These include cases where the application/request:

- a) exceeds the limit specified;
- b) is one of a series which would in total exceed that limit; or
- c) is not supported by satisfactory evidence.

9. Audit and Inspection

Authorised Dealers are required to forward all forms not processed electronically in respect of executed transactions to the Bank within five (5) working days after remittance of the funds. Supporting documentation must be retained in physical or electronic format for a period of no less than three (3) years to facilitate audit and inspection by the Bank.



Ian R. Collymore
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APPENDIX I – LIST OF AUTHORISED DEALERS & AUTHORISED DEPOSITARIES

AUTHORISED DEALERS

- The Bank of Nova Scotia
- Citicorp Merchant Bank Ltd
- Consolidated Finance Co. Ltd
- FirstCaribbean International Bank (Barbados) Ltd
- First Citizens Bank (Barbados) Ltd
- RBC Royal Bank (Barbados) Ltd
- Republic Bank (Barbados) Ltd
- SigniaGlobe Financial Group Inc.

AUTHORISED DEPOSITARIES

- The Accountant General
- The Public Trustee
- The Registrar of the Supreme Court