



Live Digital Bahamas Campaign Launch  
Central Bank of The Bahamas  
27 May 2024

## Remarks by Governor John A Rolle

### Introduction

Optimising the use of digital channels to deliver and consume financial services is the most efficient and inclusive way to extend the reach of these services inside The Bahamas. It is also the strategic way to ensure rapid recovery of commerce and the flow of money, as we face a future of more frequent and destructive hurricanes.

Today, this is the launch of the Live Digital campaign, which is a targeted public education and awareness campaign for businesses and consumers. It draws on the public feedback that we have received regarding the state of domestic payments, including the reactions especially from the business community about the proposed elimination of cheques.

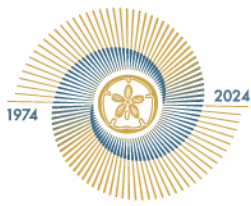
Working with a Steering Committee, in October 2023 the Central Bank announced that the emphasis had shifted from cheque elimination to encouraging continued reduction in cheque usage, giving businesses and consumers more time to adjust and to adopt increased use of digital payments. Concurrently, there is an agreed emphasis on making sustained improvements in domestic payments on several key dimensions, which I will briefly discuss.

### Existing Payments

Keeping the end of 2025 in sight, the first is—in objectively measured ways—to improve the ease of access to payments through digital channels, while achieving outcomes that are also more inclusive. This means ensuring that all individuals and business have the ability to open deposit and mobile wallet accounts through which to send and receive payments. It will mean very targeted regulations for a basic, cost-controlled, transactional deposit account for individuals who have limited financial means; and more rules to streamline the speed and ease of opening accounts for business and organisations. The Central Bank is already engaged in work on these topics, with emphasis on the standards that would apply to individuals versus other versus other categories of account holders.

On performance, the ultimate target is better results through modernisation of the retail payments system. The milestone, on which we have started to consult at the Steering Committee level, is **achieving substantive progress towards** fast or instant payments for all transactional facilities: that is, extending the convenience beyond the reach of existing mobile wallets to savings and current accounts at banks and credit unions. This would also extend real-time interoperability across deposit accounts and mobile wallets, including the SandDollar. Transformation, as much as it would impact credit unions, means that they would also be expected to become more direct participants in the payments system, so that the speed of completing transactions through credit unions is not reduced in comparison to banks.

Third, as regards the ease and cost of doing business online, the input from the business community is already helping to identify performance indicators that can be tracked. This includes making it easier to manage the limits that apply to online wire transfers, and enhanced capabilities to reconcile incoming electronic payments. There are also concerns about account maintenance charges, merchant fees and other transactions costs, which infrastructure improvements will help to tackle.



Another subset of our efforts, especially within The Central Bank will look at the standards around cheque services provided by banks. A key one of these is identifying more transparent, consumer friendly approaches to the terms that govern the writing and cashing of cheques. At present, the customer experience is varied from institution to institution.

### **Public Education**

This brings us to today's campaign launch.

As we continue to target and track improvements in payments, this campaign is to both empower and encourage more use of the digital channels for financial transactions.

It will focus on educating the public on how to get access to and how to use the digital channels more actively; and it will educate them on the range of digital instruments that are available locally. This includes more awareness on the enhancements that have already been made to the ACH infrastructure, and on how the rest of the payments infrastructure is being modernised to better support international commerce.

It will address cyber-security and anti-fraud, explaining what safeguards are followed by financial institutions and the regulators to make digital payments secure; and it will emphasise the security minded practices and that all customers should also follow to protect their accounts and transactions.

For businesses, emphasis will also be set on how do more holistic cost-benefit analysis on digital payments versus cash and cheques, around issues such as accounting and record keeping, physical safety, and handing fraud.

There are also data privacy concerns, which we will confront.

Finally, this undertaking is very sensitive to the significant concerns that users have on the reliability and quality of the communications infrastructure for payments. More deliberate progress is needed in this area. This will influence how we collaborate and consult with the Government and URCA on both the infrastructure and communications sector policies.

### **Conclusion**

For today, we are happy to be launching this campaign, in the very collaborative way it is being conceived and funded. Our public education drive is going to rely on the participation of all of our diverse stakeholder groups. They will help us to focus and deliver the message. In addition, the stakeholders will help us prioritise on where the improvements are most needed in payments.