



Deposit Insurance Corporation

Guidance Notes for the Completion of the Annual Premium Return for Co-operative Credit Unions

April 2021

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Table of Contents

1. Overview of the Annual Premium Return.....pg. 3
2. Filing Instructions for Annual Premium Return Submission.....pg. 4
3. Form Overview
 - a. Annual Premium.....pgs. 5-6
 - b. Premium Support.....pgs. 6-10
4. Appendix – List of Public Financial / Non-Financial Institutions..... pgs. 11-15

1. Overview of Annual Premium Return

The Microsoft Excel spreadsheet is a template which is designed for the **annual** submission of the Annual Premium Return and premium support for all Member Institutions of the Deposit Insurance Fund.

These Guidance Notes serve as a companion tool and clarification to the Annual Premium Return and support forms for Member Credit Unions.

A copy of the Annual Premium Return and Guidance Notes will be placed on the Deposit Insurance Corporation's website for ease of access and reference by the member institutions.

These documents would specify the version and release or amended date. Any amendments to these files would be formally advised to member institutions with a general notice. When a revised version is released, members are required to download the updated file to complete the reporting submissions.

2. Filing Instructions for the Annual Premium Return Submission

All member credit unions of the Deposit Insurance Fund are required to email the completed Annual Premium Return spreadsheets to: info@dic.bs.

The **Reporting Date** field on the Attestation Form is to be populated with the month and year of submission of the Return (e.g. April 2021, January 2022).

The Attestation Form is to be signed and dated (current month and year of submission) by two officials, inclusive of a Director and a General Manager/Chief Executive Officer of the member institution and a scanned copy of the Form emailed to: info@dic.bs.

If an amended submission is required, the Attestation Form should be signed, dated (current month and year of amended submission), scanned and submitted together with the amended Premium Return via email to info@dic.bs.

This submission for year 2021 should be provided to the Deposit Insurance Corporation by April 23, 2021 and on an annual basis, thereafter by January 31 of each year or such other date as notified by the Deposit Insurance Corporation.

The data should **NOT** be rounded to the nearest thousands of dollars. These amounts are required to be reported in the exact **Bahamian dollar (B\$) denominated value** inclusive of cents (no rounding).

For premium year 2021, the first and second half premiums payments are to be remitted via electronic fund transfers to Central Bank of The Bahamas on or before **April 30, 2021** and **September 30, 2021**, respectively. Additional details for the Standard Settlement Instructions will be provided concurrently with the release of the Annual Premium Return File.

For premium year 2022 and thereafter, the first and second half premium payments are to be remitted on or before **March 31 and September 30**, respectively.

3. A. Annual Premium Form

Kindly select the name of your institution from the dropdown box at the top of the spreadsheet.

Only Insured Deposits should be reported under Section 1 of this Form

- I. **Insured Deposits** - Should include checking, savings, demand and time accounts or other amounts payable for which the co-operative has issued a certificate, receipt, cheque, money order, draft or other instruments in respect of which it is primarily liable. Total Insured Deposits should not include letters of credit, stand-by letters of credit or instruments of similar nature, subordinated debts, preference shares, inter-bank deposits, foreign currency deposits, deposits of Government and statutory corporations, deposits in any financial institution wholly owned by the Government, deposits from affiliates, stabilization fund, liquidity deposits or capital as defined in subsection 2(1) of The Bahamas Co-Operative Credit Unions Act, 2015.

Irrespective of a members' fiscal financial year-end, Insured Deposits should be reported in the white spaces allocated in cells *D10*, *D14*, *F10* and *F14* for the four calendar quarters of the immediately preceding year as at:

- 31st March
- 30th June
- 30th September
- 31st December

- II. **Annual Premium Calculation** - This consists of the following data which is calculated automatically when amounts are entered in cells *D10*, *D14*, *F10* and *F14* (quarterly insured deposits):

- a) Average Insured Deposits – The average of deposits held with the credit union as at 31st March and 30th September.
- b) Annual Premium Payable (1/20 of 1 percent of average insured deposits) – The calculation of the total annual premium payable will automatically populate here.
- c) One Half of Premium Payable – This section calculates the first half premium payable which is due on or before 30th April, 2021. Effective year 2022, this amount will be payable on or before 31st March of each year (See Section 5(5) of the Protection of Depositors (Amendment) Act, 2020).

- d) Second Half of Premium Payable – This section calculates the second half premium payable which is due on or before 30th September of each year (See Section 5(5) of the Protection of Depositors (Amendment) Act, 2020).

When settling the bi-annual premium payment, the greater amount of one-half of the annual premium payable should always be remitted for the first half payment which is due by 30th April, 2021 and thereafter due by March 31st of each premium year.

B. Insurance Premium Support Form

Kindly select the name of your institution from the dropdown at the top of the spreadsheet and insert a zero dollar value where the category is not applicable to your institution.

This spreadsheet will provide the validation support to the Insured Deposit Calculation submitted in the Annual Premium Form for each quarter. The cell amounts G56, H56, I56 and J56 should equal the calculations of the Insured Deposits reported for each respective quarter.

I. Insured Deposits

Represents unpaid balance of money received or held by members on which they are obliged to give credit on demand, savings or fixed deposits. The types of insured deposits are listed as follows and should **not** include inter-bank deposits, foreign currency deposits, deposits of Government and statutory corporations, deposits in any financial institution wholly owned by the Government, deposits from affiliates, stabilization fund, liquidity deposits or capital as defined in subsection 2(1) of The Bahamas Co-Operative Credit Unions Act, 2015:

- Member Regular Deposits - Includes all current and call accounts of members that can be withdrawn by cheque without notice or delay and money at call and short notice, which is repayable on demand or requires up to thirty days' notice.
- Member Term Deposits - Include all member deposits that have a term limit to maturity.
- Member Other Deposits – Member deposits which are not captured by Member Regular Deposits or Member Term Deposits.

- **Non-Member Deposits** - All deposits made at a co-operative Credit Union by individuals or institutions who have either (a) not applied for membership or (b) do not belong to a specific community, organization, religion or place of employment which would constitute such membership.
- **Accrued Interest on Deposits** - Include all accrued charges of interest which remain unpaid as of the reporting date on all classes of deposit accounts.
- **Other (Please Specify)** – Include all insured deposits which are not specified above.

II. **Other Insured Amounts Payable**

Represents other amounts payable for which the institution has issued a certificate, receipt, cheque, money order, draft or other instruments in respect of which it is primarily liable.

- **Stored Value Cards** - These are prepaid cards in which the amount of funds can be increased as well as decreased; a multipurpose prepaid card which can be used for small retail and other payments, such as gift cards.
- **Manager's Checks** – Also referred to as certified checks which are issued by the institution on behalf of members or non-members as at the reporting date.
- **Wire Transfers (Outgoing)** – B\$ denominated outgoing wire transfers via the Automated Clearing House (ACH) as at the reporting date.
- **Wire Transfers (Outgoing)** - B\$ denominated outgoing wire transfers via the Real Time Gross Settlement (RTGS) as at the reporting date.
- **Insert Additional Types of Deposits** – This allows for the inclusion or listing of insured deposit categories which are not listed above. Avoid duplication of insured deposit types.
- **Total Insured Deposits:** This calculates the sum of all the insured deposits, inclusive of other insured amount categories covered under Section 2 of the Act.

III. **Disclosures**

Represents the types of deposits and other payables which are reported only **for the purpose of disclosure** as follows:

- **Government Deposits** - Deposits of Government and related ministries and departments. For Family Island branches of Nassau based banks, accounts operated by Family Island Commissioners on behalf of the Government should be included here. Refer to attached listing.
- **Public Corporation (Gov't & Statutory Deposits)** - Includes deposits of non-financial public corporations. Refer to attached appendix listing.
- **Public Financial Institutions Deposits** - Includes deposits of The Bahamas Development Bank, The Post Office Savings Bank and Bahamas Mortgage Corporation. Refer to attached appendix listing.
- **Deposits from Banks** - Include deposits due from domestic commercial banks and Other Local Financial Institutions.
- **League Shares** - The total sum of all shares held by a co-operative credit union in some Credit Union Cooperative Federation.
- **Amounts Held by The League** – These deposits are deposits held with The Bahamas Cooperative League Limited (Apex Body).
- **Deposits from Affiliates** – Deposits from an affiliate or affiliated company includes, in relation to another company, a company that directly or indirectly controls, is controlled by, or is under common control with, such other company; and hence is considered to be a member of the same group of companies (see Section 2 of Companies Act).
- **Deposits from Credit Unions** – These deposits are inclusive of deposits from other financial co-operative credit unions.
- **Members' Capital** consists of the following:
 - Qualifying Shares which are the sum of mandatory, non-withdrawable minimum shares which have been purchased by approved applicants whom enjoy the full rights and privileges of membership in the co-operative credit union.
 - Equity Shares which is the sum of shares held by members in excess of qualifying shares; the value of which is prescribed by the Co-operative Credit Union Bye Laws.

- **Institutional Capital** – Consists of Retained Earnings (Accumulated Deficits) which consists of the net accumulated earnings after allocation to the statutory reserve and other funds (per the definition in the Bahamas Co-operative Credit Unions Regulations, 2015 – “the Regulations”); and not distributed to members in the form of dividends. However, if the credit union has found itself paying out more dividends, and generating more net losses than profits, then the accumulated deficit (negative retained earnings) is reported here.

- **Reserve Fund** consists of the following:
 - Statutory Reserves – The total allocated from retained earnings solely for the purpose of increasing and enhancing capital until total statutory reserves equal ten per cent of total assets as noted in Section 65 (2) (b) of the Bahamas Co-operative Credit Unions Act, 2015, and as stated in the by-laws of the credit union.

 - Investment Valuation Reserves – Total amount of funds set aside to compensate for declines in the value of investment instruments.

 - Development Fund – Funds set aside to aid in the further development of the credit union movement. This fund is typically a deposit account in to which credit unions can deposit their surplus monies.

 - Other Reserves – Those funds set aside (reserves) which do not fall into the categories captured in Statutory Reserves, Investment Valuation Reserves and Development Fund.

 - Shares Redemption Fund – Funds set aside for the purpose of redeeming qualifying shares.

- **Insert Additional Disclosures** – This allows for insertion of other categories for disclosures which are not listed in the categories above. Avoid duplication of disclosures.

- **Total Disclosures** – This category sums all the excluded categories.

- **Total Insured Deposits** (cells G56; H56; I56; J56): This is the calculation of Total Deposits and should equal to the quarterly amounts reported for Total Insured Deposits (Annual Premium Sheet).

Appendix: Listing of Financial / Non-Financial Institutions

Commercial Banks (Authorized Dealers)

Bank of The Bahamas Limited

Citibank, N.A.

Commonwealth Bank Limited

Fidelity Bank (Bahamas) Limited

Finance Corporation of Bahamas Limited

FirstCaribbean International Bank (Bahamas) Limited

RBC Royal Bank (Bahamas) Limited

RF Bank & Trust (Bahamas) Limited

Scotiabank (Bahamas) Limited

Other Local Financial Institutions (Authorized Agents)

Ansbacher (Bahamas) Limited

The Bank of Nova Scotia Trust Company (Bahamas) Limited

Butterfield Trust (Bahamas) Limited

Capital Union Bank Limited

Cititrust (Bahamas) Ltd.

Corner Bank (Overseas) Limited

Deltec Bank & Trust Limited

Equity Bank and Trust Bahamas Limited

First Caribbean International Trust Company (Bahamas) Limited

J.P. Morgan Trust Company (Bahamas) Ltd.

Leno Trust Limited

Royal Bank of Canada Trust Company (Bahamas) Limited

Public Non-Financial Institutions

Airport Authority

Antiques Monuments and Museum Corporation

Bahamasair

Bahamas Agricultural and Industrial Corporation

Bahamas Broadcasting Corporation

Bahamas Electricity Corporation

Bahamas Maritime Authority

Bahamas Water and Sewerage Corporation

Clifton Heritage Authority

College of The Bahamas

Deposit Insurance Corporation

Educational Loan Authority

Financial Intelligence Unit

Gaming Board

Health Facilities

Hotel Corporation of The Bahamas (in liquidation)

Insurance Commission of The Bahamas

Nassau Airport Development Company

Nassau Flight Services

National Insurance Board

Paradise Island Bridge Authority

Public Hospitals Authority

Securities Commission of The Bahamas

Utilities Regulation and Competition Authority

Public Financial Institutions

Bahamas Development Bank

Bahamas Mortgage Corporation

Post Office Savings Bank

Departments / Ministries / Commissioners' Accounts

Governor-General & Staff

The Senate

House of Assembly

Department of the Auditor-General

Department of Public Service

Cabinet Office

Office of the Attorney-General & Ministry of Legal Affairs

Judicial Department

Court of Appeal

Registrar-General's Department

Prisons Department

Parliamentary Registration Department

Ministry of Foreign Affairs

Office of the Prime Minister

Bahamas Information Services

Government Printing Department

Ministry of Lands & Local Government

Department of Physical Planning

Department of Lands & Surveys

Ministry of Finance
Treasury Department
Customs Department
Department of Statistics
Magistrates' Courts
Public Debt Servicing – Interest
Public Debt Servicing – Redemption
Ministry of National Security
Department of Immigration
Royal Bahamas Police Force
Royal Bahamas Defence Force
Ministry of Public Works & Transport
Department of Public Works
Department of Education
Bahamas Technical & Vocational Institute
Department of Archives
Ministry of Education, Youth, Sports & Culture
Department of Social Services
The Simpson Penn Centre for Boys
The Willamae Pratt Centre for Girls
Department of Housing
Ministry of Housing and National Insurance
Department of Youth & Sports
Department of Labour
Post Office Department

Department of Road Traffic

Department of Meteorology

Ministry of Agriculture and Marine Resources

Department of Agriculture

Department of Marine Resources

Ministry of Health & Social Development

Department of Environmental Health Services

Department of Public Health

Ministry of Tourism & Aviation

Ministry of Maritime Affairs