SECURITIES COMMISSION OF THE BAHAMAS

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PUBLIC NOTICE

No. 9 of 2026 26 August 2026

RE: Unlicensed Money Lending and In-house Financing Activity Under the Financial and Corporate Service Providers Act 2020

This **NOTICE** is issued by the Securities Commission of The Bahamas ("the Commission") pursuant to its authority under section 27 of the Financial and Corporate Service Providers Act 2020 ("the Act").

The Act came into force on 14 December 2020 and applies to all persons engaged in the business of providing financial services in or from within The Bahamas, unless deemed by the Commission to not be in the "business" of providing financial services, or otherwise exempted, from the requirements of the Act. Financial services, as defined in section 2 of the Act, include money lending, money broking, payday and cash advances, and credit extension carried on by non-bank persons.

Licensable Activities

Section 2 of the Act defines **money lending**, with respect to non-bank persons as:

a. the granting of short-term loans, which may be in the form of payday and cash advances;
b. the granting of consumer or mortgage loans; and
c. any ancillary activity related to money lending.

Section 2 of the Act also separately captures **in-house financing** as a **credit extension**, which is defined as the in-house financing arrangements made between a seller of goods or services and a purchaser which permit the purchase of goods or the provision of services on condition that the purchaser thereafter discharges the debt by instalment payments; lay-away arrangements are excluded.

Under section 3 of the Act, a person is deemed to be a financial services provider where the person's income, or any part of it, is derived from these activities, and the Act applies regardless of physical location where such services are offered to residents of The Bahamas, including where they are offered online.

Licence Requirement

Section 4 of the Act requires every person engaged in the business of providing these services to obtain the appropriate licence from the Commission for the specific financial services being offered. Where a person is uncertain as to whether their lending activities constitute money lending or credit extension requiring licensing under the Act, they should contact the Commission and provide details of the nature and extent of those activities. The Commission will assess the information provided and advise whether a licence is required.

Expiration of Transitional Period

Under section 49(2) of the Act, any person who, at the date of the Act's commencement, was offering any services or conducting any activity for which a licence must be obtained under the Act was required to apply to be licensed within six months of the Act's commencement, that is, **by 14 June 2021**. As that transition period has expired, any person now engaged in money lending activity without a licence is operating in breach of the Act.

Consequences of Unlicensed Activity

Unlicensed activity is an offence under section 46 of the Act. A person convicted of unlicensed activity is liable on summary conviction to a fine not exceeding seventy-five thousand dollars, to imprisonment for a term not exceeding four years, and to a further fine of one thousand dollars for each day or part thereof during which the offence continues. The Commission may also impose administrative penalties and exercise its wider enforcement powers under the Act.

Action required

Any person or institution currently engaged in money lending, payday or cash advance, credit extension, or any related activity without a licence must contact the Commission's Supervision Department at **supervision@scb.gov.bs** immediately, and in any event no later than **30 September 2026**, to regularise their status. The Commission will assess whether licensing is required and will advise on the application process. Contacting the Commission to regularize or submitting an application does not constitute a licence, does not authorise the commencement or continuation of a licensable activity, and does not prevent the Commission from taking action in respect of any past or continuing breach.

With effect from 1 October 2026, **the Commission will pursue all available and enforcement measures against persons who continue to conduct money lending or credit extension activity without the requisite licence and who have not engaged with the Commission to regularise their status.**

Exclusions

For the avoidance of doubt, this Notice does not apply to banks licensed under the Banks and Trust Companies Regulation Act, 2020 or to credit unions and other credit institutions regulated by the Central Bank of The Bahamas.

Any inquiries concerning this notice may be directed to the Commission at:

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North Building, 2nd Floor
31A East Bay Street P.O. Box N-8347
Nassau, The Bahamas
Email: info@scb.gov.bs
Telephone: 1 (242) 397-4100