

Doing Business with Agencies
of the Government of The Bahamas

A Chronicle of Vexing Business Issues

Compiled by:

The Bahamas Chamber of Commerce
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Introduction:

In his endeavour to create an environment that would encourage existing businesses to grow and operate more efficiently and facilitate the start up of new business ventures, the Prime Minister of the Commonwealth of the Bahamas, the Right Honourable Hubert A. Ingraham asked the Bahamas Chamber of Commerce, in mid 2007, to consult with its membership to ascertain what was vexing about doing business with the agencies of the Bahamas Government.

As expected, the general theme of the sessions was that the inefficiencies surrounding the conduct of business with certain government agencies contributed to the already high costs of doing business in The Bahamas.

There was also the firm belief that many of these inefficiencies could easily be corrected with a focused, sustained, practical approach by the relevant authority.

But, there must be the will to move forward and make the change rather than just talk about it.

The general feeling among the Chamber members was that the inability of the government agencies to react to almost anything expeditiously was its greatest problem.

Methodology employed:

A series of roundtable discussions with members of the business community were held during the months of November and December 2007.

In addition, email responses were solicited via the Chamber's bi-weekly newsletter during quarters three and four of 2007. A cross-section of businesses was represented and business issues presented.

Industry: Shipping

Department: Bahamas Customs

Issue: Efficiency and Customer Service

The number of Customs officers is too low for the volume of business with which they must deal. At the time of the discussion, there were reportedly only two Customs officers dedicated to responding to calls from several large shipping agencies.

Implications:

This number is far too small given the large volume of calls received in the department. This leads to regular delays.

Recommendations:

The number of Customs Officers dedicated to serving the shipping sector should be increased to ten (10) after considering the inevitable sick and vacation time. The issue is greater than simply handling complaints; it goes to the heart of providing effective and efficient service that keeps the engine of business moving smoothly.

Industry: Shipping

Department: Bahamas Customs

Issue: Customs Auctions & the Bidding Process

Merchants/shippers are perennially not receiving payments due to them.

In appropriate instances when members of the public do not pay their required duties on goods presented at national ports of entry, the items are confiscated and delivered to the Customs Warehouse. Items not collected within a designated period of time are auctioned off. When auctioned, the consideration paid to Bahamas Customs is expected to include cost and freight charges that are due and payable to the applicable shipping companies.

On a routine basis the shipping companies are not paid anything to reimburse them—partially or otherwise—for the costs of shipping and brokerage/trucking services.

Implications:

When shipping companies are forced to fully absorb transport costs for confiscated goods it increases the costs of goods to the general public. Customs claims that refunds are processed within six months, but this is rarely done. One Chamber member noted that they have not received a refund for freight in twenty-nine (29) years of doing business in the shipping industry.

Solutions:

The existing bidding process is in urgent need of reform. Two immediate solutions are proposed:

1. Increase the number of staff. Presently, only two officers are designated to address the concerns of the companies served. This is far too few and leads to unreasonable delay and frustration
2. With respect to the auctions process, Customs should acknowledge receipt of requests for refunds.
3. Customs should implement a process of minimum bids that include proportionate allocations for duties, freight and ground transportation. Shippers should be paid a proportionate amount for freight irrespective of how much the lowest bid was. Customs should not deny payment on the basis that the amount paid was too low to share it.

Industry: Shipping

Department: Bahamas Customs

Issue: In doing business with Bahamas Customs it is all about who you know

Members expressed frustration, but had generally resolved themselves to accept that when doing business with Customs it is not what you know—in terms of the policies and procedures—but more who you know. In general, businesses need to know the right brokers who knew the right Customs Officers. Brokers identify officers who have the clout to get things done, and they “oil the wheels to get more things through the system.” Regrettably, that process has become the routine way of doing business.

Implications:

The “who you know” way of doing business clearly leads to corruption in people and in the process. In the long run, the general public suffers because those with the ability to pay to “oil the wheels” get preferential service and those who don’t get inadequate attention.

Solutions:

The process should be overhauled and multiple information streams/processes established to serve the differing needs of the general public and those of the business community. Business, with the need for more comprehensive and expedited services, should pay more for that privilege.

Industry: Shipping

Department: Bahamas Customs

Issue: Perceived lack of focus or interest in customer service

Chamber members expressed concerns that the “new generation” of customs officers does not appear to take their jobs seriously. In comparison to their older counterparts, they are not as sensitive to the needs of the business community and the need and advantages of providing timely service. In this regard, efficiency is not a priority.

Implications:

Time lost diminishes customer satisfaction. Time lost is money lost. The inability to deliver products or services which require imported goods/products, “at the pace of the customers’ business” diminishes competitiveness. This has huge risks for the business community that is constantly required to compete for limited opportunities. Delays and inefficiencies in customs have direct and oftentimes immediate financial costs.

Solutions:

1. Sensitivity training for Customs officers might go along way, but the most important solution is process redesign that results in greater efficiency.
 2. Increase the number of officers designated to conduct onsite inspections. At the time of the Roundtable, the perception was that there were only seven (7) officers designated for this onsite inspection service and that number should be doubled to fourteen (14) or fifteen (15).
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Industry: General
Department: Immigration

Issue: The application process for **completed** work permits takes an undefined period of time to approve or disapprove.

Implications:

When offering a job to a foreign worker, especially those that are skilled or who are in the middle to upper middle management areas, businesses are unable to inform the successful applicant how long he or she will have to wait before their Work Permit is approved or disapproved. This uncertainty costs businesses both financially and competitively. Having incurred the cost of attracting and interviewing an interested applicant, the business ends up losing that applicant to another business in another jurisdiction not burdened down by a Work Permit process that is typically too long and always uncertain.

Recommendations:

Completed Work Permit applications, whose fee, if approved, will exceed \$2,000 should either be approved or disapproved in twenty (20) business days so all parties concerned will know, with a greater degree of certainty, how long the process will take.

Industry: General
Department: Immigration

Issue: The process of **renewing** a Work Permit takes too long and is far too cumbersome and inefficient given that much of the information is already on file. Similarly, persons requiring travel permits are required to wait for two weeks or more to obtain the documents. This process is far too long.

Implications:

Because of the length of the process and the resulting uncertainties there is considerable pressure on companies to not play by the rules. The level of delay imposed on business is considerable.

Recommendations:

Process overhaul is a key part of the solution. Process enhancements should include extensive use of technology to speedup processing of applications. The requirement to submit the same information over and over again is unnecessary and renewals should, at most, require a letter from one's employer, a police certificate and a picture. In addition, Work Permits should be given for a minimum of two years (instead of one) and renewals should also take twenty (20) business days from the date a completed application is submitted.

Industry: General
Department: Immigration

Issue: The process of applying for a Permit to Reside for the spouse of an individual in The Bahamas on a Work Permit.

The process should be simple and it is far from it. Chamber members who hire an expatriate worker whose spouse must accompany them, complain that the Department requests the same information each year when the information is already in the file from the previous year.

Implications:

This is truly a nuisance issue. Countless hours are lost in the application and follow-up process by the employee (whose partner is affected) or by someone else on the company's payroll.

Recommendations:

When an employee's Work Permit is approved, his/her spouse's permit to reside in The Bahamas should automatically be approved for the same time period. In addition, the requirements to renew a spouse's permit should only require a current police certificate from the Royal Bahamas Police Force (RBPF) and maybe a new picture and that should accompany the employee's Work Permit when it is put in for renewal.

Industry: General
Department: Immigration

Issue: Business applicants frequently find that application forms are not complete as to requirements, and Immigration officials often ask for information that is not on the form.

Implications:

This leads to delays in the completion of the application process, inefficiency and added costs to businesses.

Recommendations:

The DOI should maintain a fairly robust website that lists all current requirements for applications and renewals. Additionally, processing of certain applications ought to be accommodated online, requiring only minimal in-person visits to the department. When required, such visits should be scheduled.

At a minimum, and on an immediate basis, the DOI should update its application forms reflecting the current requirements and they should have the forms placed online so that they can be downloaded by potential applicants anywhere in the world.

Industry: General

Department: Labour

Issue: Redundancy costs

Certain chamber members who represented large organizations were adamant that there is a need for amendments to the law to address the issue of redundancy costs. Presently, there is great uncertainty as to the meaning of the law and as a result there is an equal degree of uncertainty as to what a business's costs could be if it chooses the path of termination.

Implications:

The decision to terminate staff is rarely the path of first choice for Chamber members. However, when selected—or being considered—it is critically important to be able to consider all aspects of the business decision. This means that the scope of potential costs should be quantifiable.

Under the current laws there is no clarity as to whether there is a maximum number of weeks or months for which the employer is liable. This is grossly unfair to the business. In general, Chamber members want to pay terminated employees their just due, but they do not want to have an open-ended or undeterminable financial obligation.

Recommendations:

Timely amendments to the laws are the best solution outlining in detail what the maximum requirements an employer must pay a terminated employee. Caps, based upon years of service and salary, should be also laid down to avoid excessive and potentially bankruptcy causing awards and to limit the total amount of the severance amount given the many interpretations that typically happen over a single piece of legislation.

Industry: General

Department: Labour

Issue: Labour laws and the interpretation thereof.

Members expressed consternation at the lack of consistency in the interpretation of the laws at the level of the Labour Board and Industrial Tribunal. Experience has shown that for the same or very similar set of facts, members can expect differing views from the judges.

Implications:

The lack of uniformity in opinions/decisions from the Labour Board and the Industrial Tribunal increases the uncertainty in decision-making and financial planning.

Recommendations:

The laws should be amended to ensure clear and specific guidelines on what the process should be to determine the exact amount that is due an employee upon his or her termination.

Industry: General

Department: Labour

Issue: Labour laws are outdated since they prevent the use of certain technology in tracking employees time.

Clearly, it is common knowledge that many employees come to work late, leave early, or generally leave their job for many hours during the day .

The systems that employers are presently allowed to use to track when an employee comes to work and leaves work are easily thwarted by employees. They typically get their colleagues to “punch” them in and out and receive payment for work they did not do.

Complaints that the collection of biometric data by employers will compromise the privacy of employees is considered groundless since, on the one hand, all citizens gladly give up this same information to the U.S. Government to obtain a U.S. visa and will now have to give up that same information to obtain a new Bahamian passport while, on the other hand, technology exists that allows employers to obtain the biometric data that they need without compromising the privacy of employees.

Implications:

Employers suffer substantial losses due to their inability to implement a tracking system that ensures that employees come to work on time and do a day’s work for a day’s pay. The effects on employee productivity, therefore, are considered to be significant.

Recommendations:

The government should modernize the necessary labour laws to clearly allow for biometric time and attendance systems. These systems will make employees more accountable and allow for more accurate time and attendance records.

Industry: Construction

Government agency: Department of Public Works (DPW)

Issue: There is a need for greater clarity with respect to what an “approval in principle” (AIP) means.

One member recounted an experience with the DPW. Once the AIP was received it placed no unreasonable or unusual demands on the applicant. The application was for a commercial development and the proposed project was in compliance with zoning and covenant stipulations. As a result of the AIP, the business committed considerable financial resources to move the project forward, including closing a transaction to purchase land for later construction. Once the public became aware of the proposed project, there was an outcry and an appeal to Town Planning Committee (TPC) to reverse its initial decision. After months of wrangling between the parties—including major concessions on form and functionality by the business—the TPC reversed its original approval.

Implications:

1. The Committee’s decision had substantial immediate and direct financial implications. The process was grossly unfair, it was unconscionably long and it put the business at considerable disadvantage.
 - a. The cost of lost business opportunities cannot be quantified in cases of delays by government agencies
 - b. Penalties, fees, opportunity costs can be quantified and oftentimes they are considerable
 - c. In specialized industries where labour has to be sourced from both inside and outside the country, project delays lead to significant difficulties in recruiting qualified staff. In general, prospective employees who are available when an opportunity comes up are NOT prepared to wait indefinitely for confirmation that a particular project will proceed. In general, they give up waiting and the business is forced to begin that part of the process all over again. This adds to the cost of doing business and further minimizes competitiveness.

2. The well documented and often-discussed bottlenecks within the Ministry of Public Works have invariably led to the public’s perception of enhanced power in the hands of a few pivotal public servants matched with a great susceptibility to corruption or at a minimum openness to inducements.
 - a. While participants in the Roundtable did not acknowledge personal involvement in offering inducements, to a person, they all believed that paying someone to move a project forward was the only realistic way of achieving business objectives in a timely manner.

Solutions:

1. The Town Planning Act requires overhaul. The incident discussed is not the first instance of reversals of TPC approvals of legitimate commercial development on commercially zoned properties only after public outcry. There appears to be no legal basis for the decision. Regrettably, the appeal process through the courts is very expensive and time consuming. It puts the business at a considerable financial disadvantage.
 - a. While the referenced decision is being appealed in the courts, a review of the process would diminish the instances where this needs to happen.
2. The Town Planning Committee's processes require overhaul. The staging of town meetings should be conducted **before** an AIP is granted. To do otherwise puts too great a financial burden and risk on the business.
3. The staff of the DPW needs to be more responsive to inquiries. The business Chamber and its members recognize the large volume of applications to the DPW, and appreciate the challenge associated with constant inquiries by the public. The Chamber believes that an aggressive focus on increased efficiency—underpinned by greater efficiency and timely service—would substantially reduce the need for constant follow-up.
 - a. In the referenced case, the department was described as “completely unresponsive”. For weeks it did not reply to repeated request for updates on what the department proposed to do and when. As with many other cases, million dollar projects were kept in abeyance.

Issue: The Life of an “approval in principle” granted by the department of Public Works for proposed projects should be extended

One Member expressed concerns that the life of an approval in principle should be extended when the Minister of Public Works or the department itself must respond to protest or fact-finding actions initiated by the general public. These have the effect of extending the Government's administrative processes and are outside the control of the company or individual who submitted the application.

Implication:

In cases where protests are lodged or reservations expressed, the applying business should not be penalized if the time to provide responses or implement solutions to address departmental or community concerns cause the project to be extended beyond the end date for approval in principle

Recommendation:

The department should “stop the clock” on the approval once issues are raised. It should be reset only once the ball is fully back in the hands of the business to move the proposed project forward.

Industry: Construction
Department: Department of Public Works

Issue: The DPW has a consistent practice of making add-ons to the approval process AFTER an application has already been submitted and in the pipeline for a (frequently) long period of time. For example, once an application has been submitted, the TPC might grant approval for the project with the proviso that the approval is subject to approval by the Antiquities, Monuments and Museums Commission, results of a traffic study, or approval by another government agency.

Implications:

The most immediate implications of this are the further delay and the additional unplanned costs. Businesses prefer a process where all of the requirements necessary to ensure project approval—and their related costs—are known at the outset so that they can be factored into the operational planning and profitability projections for the full project.

Recommendations:

The Chamber recommends a full revision of the primary application processes of the DPW—with particular focus on the Town Planning Committee. The objective of this revision would be to devise a standard set of application requirements based on the nature and scope of the proposed project - with public input in the areas where appropriate and necessary.

Industry: Public utilities
Department: Bahamas Telecommunications Company (BTC)

Issue: Monopolies

Chamber members expressed a level of settled frustration with the utility companies. They explained that there is a general level of complacency and unresponsiveness from these companies. There is no sense of urgency. Service is substandard. The corporations do not seem to understand that they provide a service. There was evident quiet but intense frustration with the inability to go anywhere else.

The Bahamas Telecommunications Company (BTC) received the harshest criticisms.

Implications:

There are direct business implications for inadequate and very costly telecommunications services; The Bahamas does appear to be a less desirable place to do business. Members expressed their embarrassment when a client exclaimed that “I go everywhere to do business and the only place my phone does not work is when I visit The Bahamas.”

Members expressed concerns and regrets about the long time required to get service (“forget LAN lines). For many it is a return to “who you know” in order to secure timely service. There is just a tremendous lack of faith in going through the normal channels. Forget calling 914 to effect repairs!

Recommendations:

Privatize! Deregulate! Make competition available!!

With regard to BTC, nine (9) years of a privatization process with no end in sight is simply unbelievable. Successive governments have not had the backbone to complete this process but it should be completed in the shortest possible time. In addition, other (preferably Bahamian) cellular companies and the local cable company should be allowed to enter the fixed line and cellular market to bring about a substantial reduction in cellular rates and a vast improvement in service. This should happen in no more than 12 months.

In addition, someone should make the hard cold decision to upgrade the GSM network so that its penetration capabilities are improved and it drops less calls. The old TDMA network is perceived as superior to the new GSM network and the management of BTC clearly erred when they implemented a GSM system that does not allow many of its users to receive or make calls from inside a building.

Industry: Public utilities

Department: Bahamas Electricity Corporation (BEC)

Issue: Reverse Metering

With the ever increasing cost of electricity, Bahamians should be rewarded for using alternative energy sources by being allowed to sell any additional electricity that they generate back to the grid using reverse meters.

These meters would spin one way when the consumer purchased electricity from BEC and would spin the other way when the consumer generated excess electricity from its alternative energy source and sold it back to the grid. It is understood that there is only one reverse metering device in the entire country (Cape Eleuthera) and the government is considering allowing its implementation in the rest of the country.

Implications:

Reverse metering could assist in improving the attractiveness to businesses to use alternative energy sources. This would reduce the cost of energy to businesses, this would reduce the amount of foreign exchange being spent on imported oil, and it would reduce the carbon emissions produced in the Bahamas.

Recommendations:

Reverse Metering should be rolled out on an immediate basis. This will most definitely be a part of any National Energy Policy so roll it out now. Also, the Bahamas Electricity Act should be amended to remove the requirement that all electricity needs must be provided by BEC (where BEC is available) implying that obtaining or generating electricity from alternative energy sources is illegal.

Industry: General
Department: Business license

Issue: Business processes are not appropriately structured

One Member described the experience of applying for a charter boat and being advised that the process entailed acquiring a boat, obtaining insurance and then placing an application before the necessary board responsible for approvals.

In addition, another member, in the pest control business, described that in order to secure his business license, his premises, where he stored his pest control supplies, needed to be inspected by the Department of Environment Health. Despite numerous attempts, however, he could never get a DEHS employee to come to his place of business to do the necessary inspection. As a result, he finally went down to the Business License Department and had to “carry on” about the fact that he could not get a DEHS inspection causing a Business License employee to have pity on him and give him his Business License anyway (after the payment of the fee, of course).

Implications:

The risk is that the board could disapprove of the project after the applicant would have expended considerable resources.

Also, in order to import goods into the country, a business is frequently asked to produce their business license to customs officials. However, if one agency of the government, due to its inefficiency and lack of organization is frustrating the ability of a business to collect a vital document from another agency of the government, it has the implication of frustrating that businesses ability to conduct its trade.

Recommendations:

At a minimum, the granting of a business license should be automatic once the fee is paid, and national insurance contributions and company registration fees are up to date.

If, in addition to the above, an annual inspection of the business is required by another government department, then once a receipt can be produced showing that an inspection has been requested then the business license should be approved until the business license department is contacted by the other government department to say otherwise. Businesses must be allowed to continue to conduct their business and not be beholden to an inefficient government department that is both understaffed and not motivated to perform.

Finally, the government should push to introduce and pass its proposed Omnibus Business License Act to create a single business license for all businesses with clear criteria to achieve.

Industry: General
Department: Business License

Issue: Calculation of business license fees is disadvantageous to business. Presently, business license fees are calculated based on gross sales. As a result, businesses with large gross sales but razor thin margins end up paying a disproportionately large amount of tax given their comparatively low profits (i.e. food stores).

Conversely, businesses with comparatively low sales and high gross profits end up paying a disproportionately low amount of tax given their large profits (accounting/law firms). Additionally, the taxes paid are not allowed as a deduction in the calculation of the next period's tax.

Implications:

By basing the business license tax on gross sales it does not attempt to tax those who make the large profits and unfairly penalizes those companies with large sales but low profits. This method naturally increases the costs of doing business. Similarly, the effect of not allowing a deduction of the tax itself causes businesses to literally pay taxes on taxes.

Recommendations:

1. Chamber members believe that the tax should be based on profits or at a minimum on gross margin (i.e. Sales minus cost of goods sold)—as is the case with realtors. In this way, the companies with the larger profits would pay the most tax as opposed to the companies with the most sales that presently and unfairly pay the most tax. The Chamber recognizes that if the tax were to be based on gross margin, a higher rate would be necessary to ensure similar amounts of business license fees were collected.
2. The business license tax paid should be an allowable deduction in calculating the next period's tax.

Industry: General
Department: Business License

Issue: "Fronting"

Implications: Bahamians apply for Business Licenses and they are approved with the understanding or belief that the business will be fully owned and operated by the applicant. Side deals and agreements are then done with foreigners.

Recommendations: There needs to be more checks and balances in the system. A procedure implemented to ensure that business remain wholly and solely Bahamian if the license is extended under this premise.

Industry: Retail

Department: Price Control

Issue: Price Control is so unfairly applied that, in many instances, businesses are forced to sell items below their actual costs.

There are numerous products sold in The Bahamas that are subject to some form of Price Control. This annoyingly outdated policy is administered by a department of the government that is slow and unmotivated to react to ever changing prices.

In the current environment of frequent price increases due to substantial increases in energy costs, the Price Control Department operates with the belief that businesses can afford to sell bread basket items at a loss and, is not interested in reacting with the speed required to allow businesses to sell at the price that they need to make a profit.

This causes widespread disregard of the Price Control Regulations and almost forces businesses, in many instances, to break the law to remain profitable.

Implications: Due to the inefficiencies of the Price Control Department, Bahamian businesses are forced to sell items at a loss and incur substantial losses. In addition, those that choose to break the law to charge what they need to charge NOT to make a loss, are regarded as criminals and unscrupulous business persons.

Recommendations: Price Control should be abandoned. Let the market determine what the price should be. It works in all other areas of retail and wholesale and, if a particular retailer/wholesaler seemingly charges too much, the consuming public will take their business elsewhere forcing that business person to adjust their prices.

If the Government feels compelled to retain Price Control (for political reasons), then devise a system that allow retailers to adjust their prices by simply filing the necessary request with the Price Control Department. In this way, the business person would not have to endure the long wait typical of a response from Price Control saying 'yea or nay.' The mere filing of a request for a change in the price would be considered 'approval in principle' putting the onus on Price Control to react quickly if they did not want the price changed.

Industry: General

Department: Public Service (In general)

Issue: Inefficient collection of taxes; general weaknesses

Chamber members expressed frustration with the general level and quality of government services. There was a general sense that the government needs to place strong emphasis on reform. Attitudes, lack of responsiveness and poor quality service were key issues to address. In general, these lead to general frustrations in getting business done in The Bahamas.

With regard to taxes, there is no sense of enforcement. Property taxes are largely unpaid until the property is sold. The national insurance fund only collects 60% of what it is due and business license fee calculations are never questioned to verify their correctness and there is no penalty for late payment.

Implications:

Inefficiencies, poor service standards hurt both business and government. Multiple members drew reference to experiences with property taxes. They continued to get real property tax bills for land that they had already sold. Sadly, these notices continued to come year after year, despite writing to the appropriate government agency. Moreover, when the bill is not paid, there is no follow-up. Cynicism builds and government loses more credibility.

Recommendations:

Given the general poor success that the government has had with collecting taxes, reform is clearly required. Motivating the staff in these departments via performance based compensation as opposed to a fixed salary may be the factor that cause the civil servants to produce. Or, sell accounts receivables to collection agencies or banks and let them deal with the hassles of collecting.

Industry: Retail

Department: Royal Bahamas Police Force

Issue: Police presence on Bay Street was not felt

Certain members were concerned that while police officers were responsive when called, they are not sufficiently visible on the street.

Implications:

With so little visibility, criminals and other undesirables are embolden to break the law on the busiest street in the Bahamas. The fear is that it will not be long before a tourist is killed on Bay Steet thereby severely damaging our appeal to the foreign traveler. Let's face it! 70% of the nearly 5 millions tourists that come to The Bahamas are cruise ship passengers and almost all of them walk down Bay Street.

Solutions:

Significantly increase the police presence on Bay Street. Place a complement of 15 officers on Bay Street from 8am to 6pm every single Monday through Saturday. Do not, as is presently alleged, allow the officers to leave Bay Street around 3pm to make 'school runs.' Empower them to keep derelicts and rowdy groups and harassing unlicensed street vendors away from Bay Street.

In addition, CCTV should be placed on Bay Street. Cameras can be donated by a private sector organization and the Chamber urges that when the CCTV is set up, it is administered by a private sector organization (with a police presence) to ensure efficiency, timely updates and repairs.

Industry: General

Ministry/Department: Royal Bahamas Police Force

Issue: Delivery and enforcement of summonses and warrants

On this issue, the overwhelming consensus was that the RBPF is simply not doing its job. Once issued by the courts, warrants for arrest and summonses simply sit idle. To get movement police officers must—as a general rule—get paid \$80 per warrant/summons to make deliveries. Chamber members report that when they challenge this practice the police advise them that they simply have more important matters to deal with and they are short staffed. That is, unless the challenge comes with payment of the \$80 price tag. In those cases other important matters can and do wait.

Implications:

Such a system contributes to delays, inefficiencies and corruption within the legal system.

Recommendations:

The Government needs to set up and adequately staff a particular arm of the police force or the Police Staff Association to serve summonses and warrants for which a fee must be paid and that fee goes into the Treasury as opposed to some policeman's pocket.

The entire process should be standardized so that business owners, and the general public for that matter, realize that it is a professional set up as opposed to the situation that exists now which is if you don't pay the \$80 you wait forever, and if you do pay you may get the service. It is envisioned when one paid a fee to the relevant department of the police, a service would be delivered and one would have some recourse if the service was not delivered in a timely, efficient manner.

Industry: General

Ministry/Department: Royal Bahamas Police Force

Issue: Crimes Against a Business

Once again, on this issue, there was an overwhelming consensus that the RBPF simply does not regard **non violent** crimes committed against businesses, such as theft, as important enough to warrant their attention. Many business owners lamented about the numerous crimes being committed against their businesses by employees and customers and the inability of that business to get any results from the police even when the employee or customer was caught "red-handed." Getting the police just to show up was a challenge!

Implications:

Persons that commit crimes against businesses that are non violent, such as theft, often go unpunished allowing that employee to steal again and sending a message to all remaining staff members that stealing will probably only result in your termination but certainly no jail time. This message has allowed a culture of rampant stealing against businesses to develop and this causes businesses millions and millions of dollars each and every year.

Recommendations:

Given the level of enormous level of employee theft and other non violent crimes committed against businesses, the RBPF should ensure that this segment of the economy receive its urgent and sustained attention with an efficient reaction and follow up policy.

In addition, when a crime is committed against businesses and it is reported, then that business owner should receive a receipt from the police force that they have reported a crime. That receipt should illustrate the date, the time, the police station, a case number, the name of the investigating officer, his/her cellular number, the name of the superior officer, and his/her cellular number. With this receipt, a business owner can intelligently and efficiently follow up on the case by contacting the right police officers and not waste time trying to track them down or speaking to persons who not familiar with the case.

This receipt would also go a long way to measuring the productivity of police officers i.e. are they making any progress on a particular matter, which unfortunately, is not something that can be easily done at this time.

Industry: General

Ministry/Department: The Magistrates Courts

Issue: Bringing a Matter Before the Courts

Every business owner lamented that bringing a matter to court was a complete waste of time, a process that is so inefficient and time consuming that seeking restitution for a crime committed against one's business was now near impossible in The Bahamas.

One business owner described how they brought an employee to court for stealing \$5,000. They described how all cases for the day were told to be at court at 10am and their case may be called at any time between 10am and 4pm. So, they waited under the tree until 2pm when their case was called. The employee pled not guilty and the matter was adjourned to another date. At that time, the business owner determined that, based upon time alone, it was not worth pursuing the matter.

Implications:

Businesses rarely recover losses via the courts and are forced to suffer the loss in full without any reasonable chance of restitution.

Recommendations:

Set up a court and appoint two commercial law judges to hear all crimes that are committed against businesses.

Set times for matters to be heard so that business owners do not waste many hours waiting outside a court room for their matter to be heard.

Industry: General

Department: Courts

Issue: In the Supreme Court there is a perennial problem with getting court dates. Sometimes it takes 8-12 months to get a date. Oftentimes, members' attorneys are told there are not enough justices available...so no dates are set.

With respect to the courts, several other perceived themes emerged:

- Slackness is permitted—Clients from out of town fly in for an appointment and court proceedings are delayed for no apparent justifiable reason.
- Judges take an inordinately long time to provide opinions.
- Lost files—due to inadequate security—is a major problem.

Implications:

Put together, these problems build cynicism and lack of respect for the Bahamian judicial system—by locals and persons invited here to do business.

Recommendations:

Reform!

Reform!

Reform!

Sadly, many of the necessary changes seem self evident. The often repeated question was whether government had the WILL to make the kinds of sweeping changes (in the collective) that are required to make a meaningful difference. Chamber members expressed incredulity on this question.

Industry: General

Department: Courts

Issue: Removal of courts from the city's centre

Implications: Our tourists are often times frightened when armed police officers man the court houses during high profile court cases. At times select cases also bring about unrest in Downtown Nassau. The transportation of prisoners creates a spectacle.

Recommendations: Court system should be relocated to Oakes Field behind the Police Training College.

Industry: Financial services

Department: Registrar of Companies

Issue: Several Chamber members coalesced around these issues:

1. The nature and extent of maintenance of records is generally unacceptable. Lost records, filings, resolutions, etc are too commonplace
2. The quality and timeliness of service is substandard and needs to be improved

Implications:

Lost or misplaced records could be potentially disastrous to professional services firms and their clients. In addition to loss of reputation, there is the potential for financial losses as a result of missing information. Additionally, the lack of quality service, particularly with respect to timeliness, has consistently proven to be a problem for financial service providers. Customers generally view the service providers and the country as less competent and certainly less competitive.

Recommendations:

1. Once again the operative word is operational transformation. The manner in which the Registrar of Companies operates needs to be changed. Best practices should be pursued—in terms of delivery times—and service quality needs to be radically improved.
2. Online payment opportunities should be adopted.
3. The practice of paying assistant registrars to perform such minor functions as renunciation of dowers should be eliminated. It seems so unprofessional to personally pay employees of the Government to perform tasks that they perform as a result of their position with the government.

Industry: Financial services

Departments: The Central Bank of The Bahamas, the Registrar of Insurance Companies, the Securities Commission of the Bahamas,

Issue: Cross regulation is frustrating to professional services firms and to clients. With the same issue or one set of facts, it is difficult to get a single answer. Additionally, a lot of rules are being promulgated or are envisioned and professionals are concerned about whether the regulators are in a position to enforce them.

Implications:

Significant uncertainty with respect to enforcement of regulations poses a major problem for businesses. In an environment such as The Bahamas where cross regulation is increasing, the risks are multiplied. There is also the financial impact to businesses that needs to be considered.

Recommendations:

More consultation is needed. Professional services firms expressed concerns that in the establishment of a new regulatory regime, the regulators (and by extension the Government) appears to be taking a one-size-fits-all approach. There is great uncertainty as to whether that is the best approach.

Industry: Financial services

Department: Ministry of Finance, The Central Bank of The Bahamas, the Registrar of Insurance Companies, the Securities Commission of the Bahamas,

Issue: Chamber members representing financial services firms expressed the view that regulators can be much more proactive in recommending “obvious” amendments to laws. For example, when two pieces of laws are clearly outdated or at variance, change should come relatively quickly. This does not happen.

Implications:

The most obvious impact of this problem is the inability to address client needs due to gaps in the legal framework. This, again, puts both the firms and the country at a competitive disadvantage by making it less attractive as a place to do business.

One noted example of this is the issue of dormant accounts and the return of funds to account holders after a Bahamian licensed bank has closed. The jurisdiction loses credibility when such significant matters are not addressed on a timely basis.

Recommendations:

1. There needs to be more timely and proactive updating of financial services laws
 2. Online options should be aggressively pursued as a means of increasing the depth and quality of services to financial services firms—and ultimately their customers
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Industry: General
Department: Ministry of Foreign Affairs

Issue: Visas for Travel to Foreign Countries

Numerous complaints were received about the need for Bahamians to obtain visas to travel to Europe.

There is no substantial foreign representation by a European country in the Commonwealth of The Bahamas.

Therefore, business persons, wanting to travel to Europe are inconvenienced by the requirement that they obtain a visa which is extremely difficult and expensive to obtain. It usually involves either incurring the cost (approximately \$500) of flying to Miami, renting a car and staying overnight or 'Fedexing' one's passport to the relevant consulate in Miami and being without one's passport for an undetermined amount of time (plus the worry that your passport may be lost or not returned in time).

Implications:

This is a nuisance, a time wasting inconvenience, and a true cost for those Bahamians in the financial sector who require visas often to travel to Europe or through Europe. It also prevents Bahamians from being able to just pop on a plane and be at a meeting in Europe the next day, as is sometimes required.

Recommendations:

The Ministry of Foreign Affairs should aggressively pursue a talked about possible exemption for Bahamians to obtain a visa to travel to Europe. It is understood that this possibility is real and the business community wants to ensure that the civil servants in the MOF do not lose this opportunity.

In fact, Bahamian businessmen said that our MOF officials should make it their mission to negotiate the removal of visa requirements from most countries where Bahamians require visas. After all, we are a wealthy nation, a small nation, a peaceful nation, and a nation whose citizens rarely emigrate and, if they do, it is in such small numbers that it is not material. So, getting our country removed from the list of countries requiring visas should be relatively straightforward and an 'easy sell.'

Industry: General
Department: National Insurance Board

Issue: The calculation of National Insurance Contributions.
Presently, the calculation of the NIB contributions (both employee's and employer's portions) is based upon the number of Mondays in a particular month multiplied by the rate multiplied by the weekly salary. There are months when there are five Mondays and there are months when there are four Mondays.

However, if a business pays its staff bi-weekly, there are months when the company is paying for four weeks (two bi-weekly checks) but there are five Mondays and the company is then forced to reconfigure its payroll for the purposes of calculating National Insurance contributions for that month.

Implications:
This is a nuisance really and requires time and effort and ultimately money to reconfigure the company's payroll to comply with the NIB filing regulations.

Recommendations:
The NIB should allow businesses to file their contributions based upon widely used payment methods of bi-weekly or monthly and not solely based upon the number of Mondays in the month. Once the company contributes for 52 weeks, they should be allowed to file as they pay and not by some prehistoric guideline that was set up when the National Insurance Fund was set up in 1974 at a time when most employees were paid weekly.

Industry: General
Department: Road Traffic Department.

Issue: The requirement that companies with a large number of vehicles license and register all of its vehicles at the same time and at the same place in March of each year.

About two years ago, the Controller of the Road Traffic Department decided to change the way in which companies, with a fleet of vehicles, licensed and registered those vehicles.

In the past, a company would give cash and the insurance certificate to each of its employees who drove a company vehicle and instruct them, during the course of month of March, to go down to Road Traffic and license and register the company's vehicle for the upcoming year. Simple, straight forward and easy!

For some silly reason, that policy was changed. Now, the business owner is required to take the disk off all of his/her vehicles and make a copy of the disk. Then the business owner must attach the correct insurance certificate to the correct copy of the disk and send that paperwork down to Road Traffic. Then the business owner must call Road Traffic and make an appointment for an Inspector to come out to the company's place of business. Then the business owner must arrange for all of his/her vehicles to be in one place at one time so that the Inspector (who hopefully turns up) can inspect them all at the same time. Additional appointments must be made if one of the company's vehicles cannot be in that one place at the required time (maybe it is in the repair shop!) or the vehicle requires further inspection after repairs. Then the business owner is called by Road Traffic to tell him/her that the new disks and inspection stickers are ready for pickup. Then the business owner must send a check down to Road Traffic and pick up the new disks. Then the business owner must arrange for the distribution of the disks and to the correct vehicle. And, failure to start this process before 15 March will leave all of your registration documents stuck in an overwhelmed bureaucracy at Road Traffic and your vehicles will not be licensed by 31 March meaning that the business owner would either have to take the vehicles off the road or operate them with the genuine fear of receiving a significant fine for operating an unlicensed vehicle.

Implications:

Clearly, a simple process has been overwhelming complicated for no apparent reason. What used to be a single process of giving some cash and an insurance certificate to the driver of the company's vehicle, is now a process that requires many steps, many phone calls to Road Traffic and staff, much coordination and massive amounts of time.

This is an enormous nuisance.

Recommendations:

Return to the old system and allow the employee's of the company to register the company's vehicles at their own discretion.

Industry: Automobile Sales & public transportation

Department: Treasury/Ministry of Finance

Issues:

1. Unregulated growth of used care lots.
2. The unchecked importation of old model used cars,
 - a. Members estimate that two used vehicles are imported for every new one. Motor dealers alone import between 3,400-4,000 vehicles alone.

Implications:

On this issue, there are both purely business and financial interests at stake. There are also major social implications that result from lack of timely action to curb the challenges identified.

1. The infrastructure is designed to accommodate only a limited number of vehicles—both new and used. Business leaders are concerned that the unchecked importation—particularly of used vehicles—has already led to and will continue to produce unacceptable levels of traffic congestion.
 - a. Substandard maintenance of road infrastructure leads to accelerated wear and tear on vehicles. This raises the total cost of ownership to the consumer and ultimately to government.
 - b. The extremely high levels of traffic congestion have significant negative impacts on productivity in the workplace. The costs are incalculable. The problems are getting worse.
2. In addition to broader traffic implications, these members were particularly sensitive to the uneven playing field that results in unfair competition. Specifically, representatives of the *Auto Dealers Association* expressed concerns about lack of control over the sale of used vehicles from ubiquitous used car lots.
 - a. Members expressed concerns that it is an open secret that certain used care dealers defraud the government. These importers are known to strip vehicles, import them as wrecks, import the parts separately, and then reassemble the vehicles for sale to the public.
 - b. In addition to the unfair competition it creates, the Government loses considerable tax revenues. In cases of wreck vehicles, which are not identified, but should be, members of the general public also suffer due to sale of damaged vehicles.

Recommendations:

1. The government needs to control the importation of used cars by placing a reasonable age limit on vehicles imported into the country
 2. The Government should offer reasonable tax concessions to auto companies and individuals who import/purchase alternative energy vehicles.
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Industry: Tourism

Department: Public Works/ Tourism

Issue: Environmental Fallout from traffic congestion on Bay Street

1. Bay Street store owners expressed frustration with the seemingly unchecked traffic situation on the strip. Busses continue to be out of control and treat the street as if they were in the “Wild Wild West”. The constant rush, erratic driving, and swings in and out of traffic continue to lead to near misses for pedestrians and cars.
2. Exhaust continues to be a problem as they lead to increased maintenance costs and filth on the buildings.

Implications:

The implications are continued escalation of business costs and a diminishment of the tourism product. For what is worth, the traffic situation on Bay Street is ripe for producing road rage.

Recommendations:

1. Take better control of Bay Street traffic.
 2. Establish emission standards and enforce testing annually
 - a. For busses, set the goal of sale of low-sulfur diesel fuels
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