



COMMONWEALTH OF THE BAHAMAS

MINISTRY OF TOURISM & AVIATION
No. 1 BAY STREET 4TH FLOOR
P.O. BOX N-3701
NASSAU, BAHAMAS

PH.: (242) 302-2000
FAX: (242) 328-0945

**Bahamas Ministry of Tourism
Ministry of Finance**

**Press Release
23 June 2021**

Bahamas Health Travel Visa

The Ministry of Tourism and Aviation notes the many false and erroneous allegations made in the public domain concerning the commencement and operation of the Travel Health Visa.

Here are the facts.

In order to mitigate the spread of the coronavirus, the Ministry of Health recommended that all persons travelling into The Bahamas from an overseas destination, take a RT-PCR test administered within five (5) days of their arrival.

When the Ministry of Tourism approached the airlines (American, Delta, JetBlue, etc.) about screening their passengers, prior to boarding a plane to The Bahamas, to ensure they had the right test (RT-PCR), with the right result (Negative), within the right time frame (5 days before arrival), from an accredited lab, the airlines insisted that their check in personnel would **not** be able to fulfill the required screening. In fact, one airline stated that if they had to screen the PCR tests of passengers prior to boarding a flight to The Bahamas, they would simply stop flying to The Bahamas.

The airlines recommended that we implement a system whereby the passengers could upload their test results, which would then be reviewed by the Bahamas Government, and a travel health visa issued indicating to the airline personnel that the entry requirements to The Bahamas had been met.

As such, the Bahamas Health Travel Visa was rolled out, in its current format, on 1 November 2021.

Developing that website, prior to the Tourism Re-opening, was a huge undertaking. Six weeks was the time frame and the software developer, Think Simple, met the deadline.

Prior to the launch of the website (travel.gov.bs), the Government decided that fees were to be charged for the Rapid Antigen Test that all residents and citizens were mandated to take upon their return to The Bahamas. Additionally fees were to be charged for the mandatory health insurance all visitors were required to have while in The Bahamas. Fees were also to be charged to cover the start up costs of the website and fees were to be charged to cover its estimated operating costs.

Given the tight time frames involved, the Ministry undertook a sole sourcing arrangement as opposed to an open-bid process which would have taken three (3) months or longer to complete.

Tourism was re-opening in five days, the website was going live in five days and there simply was not enough time to develop and issue a Request for Proposal (RFP) and then wait for and evaluate the proposals. This is not unusual in circumstances such as this; indeed, even the imminent Public Procurement Act makes provision for limited bidding in similar exceptional circumstances.

On the basis, that Kanoo was, and is, an established electronic payment provider who had previously worked with the Ministry's online software developer, the Ministry engaged Kanoo on commercial terms that were and are within the guidelines set by the Ministry of Finance for its third party revenue collectors. Further, the relationship of Kanoo to the software developer meant that the set up of the electronic payment system for the health visa would be able to be facilitated within the tight timeframe.

To say that Kanoo was selected because of some political affiliation between the governing party and its shareholders is wholly untrue. No such consideration was ever a part of the decision making process.

It must be stated that consistent with the established policy for third party payment providers, there was no upfront fee. The service fees paid per transaction of 1.5 percent are well within the fee structure established by the Ministry of Finance. It is consistent with what is paid to other approved third party payment providers such as Cash 'n Go, SunCash, IslandPay and Omni Financial.

In addition, to say that Kanoo is somehow holding and controlling the funds earned by the Travel Health Visa is completely erroneous. The commentators clearly do not understand how these electronic payment providers operate, nor do they understand the merchant processing relationship that is established once these types of arrangements are agreed upon. Consistent with all the other similar arrangements, the providers hold the funds temporarily before they are remitted to the government.

In this particular instance, when the funds are earned, they are deposited into a Ministry of Tourism account with Kanoo. At all times, that account is controlled and monitored by the accounting department within the Ministry of Tourism who has online access to that account at all times. No funds are ever transferred out of that account without the express permission of the Ministry of Tourism.

All funds received by the Travel Health Visa are, after reconciliation, booked through the Consolidated fund as expenditure and revenue within the Treasury's general ledger system. To be clear, there are no missing funds and all cash proceeds are accessible and under the sole custody and direct control of Ministry of Tourism personnel at all times.

Up to 31 March 2021, the following funds were received from the Travel Health Visa and the following related expenditures were made:

Revenues	\$9.8 million
<u>Expenses</u>	<u>(\$7.4) million</u>
'Surplus' Funds i	\$2.4 million

Some 82% of the revenue was paid by visitors and 18% was paid by returning citizens and residents and domestic travelers. 65% of the expenses covered the cost of health insurance and 30% of the expenses covered the cost of administering the Rapid Antigen Test. As all proceeds are booked as government revenue, the balance of funds is utilized to meet the general commitments of the government.

Outside of the mentioned service fees, no other funds were paid out to Kanoo or any person affiliated with the company.

We remind the public that all monies held on behalf of the government are subject to the review and audit of the Auditor General. Further, during the current budget exercise, the government has taken an additional step to bring forward an amendment to the Public Financial Management Act 2021 (see proposed amended Section 110) that requires the Ministry of Finance to report on all sums received and taxes collected by third party entities when it prepares its annual report. This will be the law of the land upon the final passage of the budget now in the Senate. The public will receive an accounting of the funds collected by third party entities like Kanoo and Cash 'n Go and others in upcoming annual reports, as well as reports by the Auditor General. This is the government of accountability and transparency.

With regard to the amounts being charged for the Travel Health Visa, they are being constantly reviewed and revised. All vaccinated persons travelling domestically can obtain a Travel Health Visa free of charge. As of 1 July 2021, all vaccinated citizens and residents returning home from overseas can also obtain a Travel Health Visa free of charge. In both instances, there is no longer any need to obtain a RT-PCR test.

Finally, international media has heralded the Travel Health Visa and the overall experience of visiting The Bahamas and many of our neighbouring countries have remarked at the success of our rebound while, at the same, keeping our covid positive cases in check. Here are two examples:

- **The Points Guy**, one of the top consumer travel websites with a global reach of more than 10 million, said: **“The Bahamas is a model for how countries should approach reopening tourism. It’s devised an easy-to-understand entry system.”**
- In April, the **New York Post**, which reaches more than 14 million consumers in one of our most important markets, ran an in-depth feature on travelling to The Bahamas.
 - The headline read: *“Why vacationing in The Bahamas now is a dream come true.”*
 - And the author stated: *“It turns out Bahamas was the ultimate luxury, not just because of where I stayed, but because it made me feel safe — and normal.”*