



CORRIGENDUM

Corrigendum to the Guidelines for Supervised Financial Institutions on the Prevention of Money Laundering, Countering the Financing of Terrorism & Proliferation Financing (the “AML/CFT/PF Guidelines”)

The AML/CFT/PF Guidelines published by the Central Bank of The Bahamas on the 29th August 2018, are hereby revised as follows:

- I. On page 64, in the Section “*Verification of Identity and Other Records*”, in Part VII – RECORD KEEPING:
 - The following paragraphs should be inserted after paragraph 196:
 - 196A In the case of SFIs (being a company) that are liquidated and finally dissolved, the relevant records (both verification and transaction records), must be retained by the liquidator of the SFI for five years from the date of dissolution.
 - 196B The obligation to retain records also applies where a SFI verifies the identity of any person by confirming the existence of a facility provided by an eligible introducer financial institution. In this instance, the records that are retained must be such as are reasonably necessary to enable the FIU to readily identify, at any time, the other financial institution, the relevant facility and to confirm that the other financial institution has verified the person’s identity.
 - 196C Where a facility holder conducts a transaction through a facility provided by a financial institution, and the financial institution verifies the identity of any non-facility holder in relation to that facility, the records generated by such verification must be kept by the financial institution for a period of not less than five years after the facility holder ceases to be a facility holder.
 - 196D In relation to any other records relating to the verification of the identity of any person such records must be kept for a period of not less than five years after the verification was carried out.

Transaction Records

- 196E Transaction records including account files, business correspondence and the results of any analysis undertaken must be kept for a minimum period of five (5) years after the transaction has been completed, the termination of the business relationship or the date of the occasional transaction, as applicable.
- 196F The investigating authorities need to be able to compile a satisfactory audit trail for suspected laundered money or terrorist financing and to be able to establish a financial profile of any suspect account/facility. For example, the following information may be sought as part of an investigation into money laundering or terrorist financing:
- (i) the identity of the beneficial owner of the account or facility and any intermediaries involved;
 - (ii) the volume of funds flowing through the account/facility; and
 - (iii) for selected transactions:
 - the source of the funds (if known);
 - the form in which the funds were offered or withdrawn, i.e., cash, cheques, etc.;
 - the identity of the person undertaking the transaction;
 - the destination of the funds; and
 - the form of instruction and authority.
- 196G At a minimum therefore, the records relating to transactions which must be kept must include the following information:
- the nature of the transaction;
 - details of the transaction including the amount of the transaction, and the currency in which it was denominated;
 - the date on which the transaction was conducted;
 - details of the parties to the transaction;
 - where applicable, the facility through which the transaction was conducted, and any other facilities directly involved in the transaction; and
 - reliable accounting records.
- 196H When providing trustee services, in addition to any other requirement to maintain accounting records required by any other law or under any other direction from the Central Bank, a SFI is required to maintain accounting records pertinent to its trusteeship and appropriate to the trust and trust property. The accounting records required to be kept include related underlying documentation. Accounting records under these Guidelines are required to be kept for a minimum period of five years.

Records related to ongoing investigations and inquiries into suspicious or unusual activity

196I Records of suspicions which were raised internally with the MLRO but not disclosed to the authorities should be retained for at least five years from the date of the transaction. Records of suspicions which the authorities have advised are of no interest should be retained for a similar period.

Similarly, records of SFIs' findings of their enquiries into unusual activity, should be retained for a minimum of five years following the termination of the business relationship or after the date of the occasional transaction.

196J In general, section 17 of the FTRA outlines when documents must be destroyed. However, records may be lawfully retained:

- to comply with the requirements of any other written law;
- to enable a SFI to carry on its business; or
- for the detection, investigation, or prosecution of any offence.

Thursday 20th day of September, 2018.