

The Central Bank of The Bahamas

GUIDANCE NOTICE

Re: AML, KYC and CFT Best Practices

As part of the Central Bank's efforts to ensure that matters relating to anti-money laundering (AML), know-your customer (KYC) and countering the financing of terrorism (CFT) are being appropriately addressed by licensees, we request that going forward, all firms, as part of their internal audit plans, implement a comprehensive KYC/AML/CFT review program to assess the effectiveness of their ongoing compliance with our *Guidelines for Licensees on the Prevention of Money Laundering and Countering the Financing of Terrorism and the relevant legislation*.

Where your institution has incorporated a KYC/AML/CFT review within its internal audit program, we would be grateful to know the scope and frequency of such reviews, and to receive a copy of the latest internal audit report covering reputation risk. To assist in our oversight exercise, we request that future copies of such reports be routinely submitted to the Central Bank.

Please be reminded that the internal audit plans, inclusive of the scope of work for 2012, are required to be submitted to the Central Bank at your earliest convenience.

Any questions regarding this guidance note should be directed to:

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