



OVERVIEW OF ANTI-MONEY LAUNDERING (AML) COUNTERING FINANCING OF TERRORISM (CFT) & COUNTERING PROLIFERATION FINANCING (CPF) LEGISLATION

The **FINANCIAL TRANSACTIONS REPORTING ACT, 2018** (“the FTRA”) repealed the Financial Transactions Reporting Act 2000. The new FTRA imposes mandatory obligations on financial institutions operating in The Bahamas to (i) verify the identity of existing and prospective customers and clients; (ii) maintain verification and transaction records for prescribed periods; and (iii) report suspicious transactions, which involve the proceeds of criminal conduct.

The FTRA retains a number of provisions from the 2000 Act, but contains new and enhanced provisions regarding (i) financial institutions’ risk assessment and internal control obligations; (ii) oversight of foreign branches and subsidiaries; (iii) prohibition against conducting business with shell banks (i.e. banks which have no physical presence in the jurisdiction in which they are incorporated and licensed); (iv) establishment of anonymous facilities; (v) establishment of correspondent relationships; and (vi) sanctions and offences for non-compliance with the provisions of the FTRA.

The **FINANCIAL TRANSACTIONS REPORTING REGULATIONS, 2018** stipulates transactional thresholds for- (a) occasional transactions, (b) patrons of gaming houses and casinos, (c) jewelers and dealers in precious stones and metals. The regulations also enhance customer due diligence requirements for financial institutions and designated non-financial business and professions. Further, it introduced suspicious transaction reporting obligations for general insurers.

The **FINANCIAL INTELLIGENCE (TRANSACTION REPORTING) REGULATIONS, 2001** require financial institutions to establish and maintain employee training procedures, identification procedures, record-keeping procedures and internal reporting procedures including appointing a Money Laundering Reporting Officer.

The **ANTI-TERRORISM ACT, 2018** allows The Bahamas to comply with the United Nations Security Council Resolutions. The Anti –Terrorism Act criminalizes terrorism and expanded the legislative regime related to criminalizing terrorism financing, training and support for terrorist groups, and the financing of proliferation of weapons of mass destruction. It also contains provisions which impose mandatory reporting obligations on supervised financial institutions and enhances the mechanisms for international co-operation to combat terrorism and proliferation of weapons of mass destruction. The Anti-Terrorism Act applies to actions, persons and property both inside and outside The Bahamas.

The **PROCEEDS OF CRIME ACT, 2018** is designed to combat identified risks, prevent and facilitate the investigation of money laundering, terrorism financing, terrorism, corruption, proliferation of weapons of mass destruction, and human trafficking as well as grant the court powers to compel the forfeiture of the proceeds of crime including cash among other proportionate penalties for violations under the Act.

The **FINANCIAL INTELLIGENCE UNIT ACT, 2000** establishes and governs the Financial Intelligence Unit which is the agency responsible to receive, analyse, obtain and disseminate information received in suspicious transaction reports, which relate to or may relate to the proceeds of crime as stipulated in the Proceeds of Crime Act and the Anti-Terrorism Act.

The **EVIDENCE PROCEEDINGS IN OTHER JURISDICTIONS ACT, 2000**. Under this Act, an application from a foreign court may be facilitated by the Supreme Court of The Bahamas to obtain evidence in The Bahamas for purposes of foreign civil proceedings which either have been instituted or are being contemplated to be instituted (and for which investigations have already commenced) before the requesting foreign court.

The **CRIMINAL JUSTICE INTERNATIONAL COOPERATION, ACT 2000**. This Act enables The Bahamas to co-operate with other countries in criminal proceedings and investigations and further enables The Bahamas to join with other countries in implementing the Vienna Convention against illicit traffic in narcotic drugs and psychotropic substances. Under this Act, an application from a foreign court may be facilitated by the Supreme Court of The Bahamas to obtain evidence in The Bahamas for purposes of foreign criminal proceedings and investigations. In each case, the Attorney General of The Bahamas shall make applications on behalf of the requesting foreign court. Where the Supreme Court is satisfied that the request is an appropriate one, it may make an order for the relevant evidence to be produced to or taken in deposition by the Supreme Court. The evidence obtained by the court would thereafter be provided to the Attorney General of The Bahamas for transmission to the requesting court.

The **FINANCIAL AND CORPORATE SERVICE PROVIDERS ACT, 2000** provides a broad regime of regulation and accountability in the provision of financial and corporate services and empowers the Inspector of Financial and Corporate Services under the Act to maintain a general review of financial and corporate services in The Bahamas, conduct annual on-site and off-site examinations of licensees to ensure compliance with this Act and any other relevant law. This Act further requires the maintenance of a public register of financial and

corporate service providers, as well as the issuance of a certificate of registration to persons registered under the Act.