



**Fostering training to enhance the effectiveness of anti-money laundering and counter financing of terrorism outcomes.**

Welcome Remarks by

Governor John A Rolle

*Launch of the Association of Certified Anti-Money Laundering Specialists (ACAMS) Bahamas Chapter*

24<sup>th</sup> May, 2019

It is a pleasure to be here at the launch of The Bahamas Chapter of the ACAMS network.

We all appreciate the importance of having skilled professionals to manage the money laundering and related risks posed to the financial system. We also appreciate that The Bahamas must demonstrate increasingly greater effectiveness in countering attempts to exploit its financial system for illicit purposes. To this end, ensuring a critical mass of skills and certifications across our industry is essential. Perception wise, it signals to the outside world that our jurisdiction is not a haven for, nor does it intend to be known as a haven for illicit financial flows.

My expectation is that as the critical mass of skills in the industry increases, The Bahamas will demonstrate more in practice, and in the experience of customers, that it is applying risk-based principles, which do not undermine the quality of services on supply.

I believe we still have gaps in how risk-based outcomes are being achieved. The pressure persists for regulatory guidance to be overly prescriptive and check-list based, with the result that the retail customer experience is still too degraded. We will only arrest this trend through—in addition to all of our other interventions—strengthening competence around the application of AML/CFT safeguards. I expect that we will make more progress in this regard, thanks to AML certifications of this nature.

My own position, which is not yet the institutional view of the Central Bank of The Bahamas, but which I will work to become the institutional view, is that the Money Laundering Reporting

Officers (MLROs) and Compliance Officers ought to be subjected to an ongoing certification process to satisfy the regulatory requirements for holding their posts.

Some of the recent initiatives of the Bahamian regulators and the Government were to identify that our compliance culture was not sufficiently risk-based. The result was that financial inclusion and access was hindered for those on the margins of the system. Thanks to the provisions of the Financial Transactions Reporting Act (FTRA), the Central Bank has been able to provide guidance that streamlines “know your customer” (KYC) requirements for access to retail domestic banking services. For low-risk customers, a passport is adequate documentation in itself for account opening. In the absence of the passport, a list of other government issued identity documents is acceptable. Verification of address by proof of a utility bill has given way to establishing proof that the client can be contacted by electronic or other means. The Central Bank of The Bahamas has also made it clear that high risk does not mean that an extra burden should be imposed to identify oneself—rather more due diligence should be exerted around the other dimensions of how a relationship is established and monitored. Also, for low-risk retail prospects, the Central Bank has gone on record to state that the potential customer does not have to offer proof of employment in order to open a bank account.

The Central Bank of The Bahamas has already placed its support behind this ACAMS training initiative. It will allow The Bahamas to make more necessary, qualitative process in perfecting its national AML/CFT regime. For all of the Bahamian financial sector regulators, and the rest of the financial services industry, this provides more concentrated opportunities for in country training.

I congratulate the founding Steering Committee and the Executive Board of the ACAMS Bahamas Chapter and assure you of the Central Bank’s sustained support.

Thank you.