



Press Release

Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment Guidance Notes

Today, the Central Bank of the Bahamas (the Central Bank), issued guidance notes for the completion of Money Laundering, Terrorist Financing and Proliferation Financing (ML/TF/PF) Risk Assessments. These guidance notes are expected to be used in conjunction with the *Guidelines for Supervised Financial Institutions on the Prevention of Money Laundering, Countering the Financing of Terrorism & Proliferation Financing*, Section 25.

The risk assessment is a supervised financial institution's (SFIs) assessment of its inherent ML/TF/PF risks, the control environment designed to mitigate those risks, and the need to implement auxiliary measures to manage residual risks where necessary.

The Central Bank expects risk assessments to include the following:

- Risk Assessment Methodology
- Risk Appetite and Risk Tolerance
- Identification and Assessment of Inherent Risks
- Identification and Assessment of Controls
- Corrective Action Plan(s) where applicable
- Evaluation of Residual Risk

Additionally, SFIs are required to monitor and update their risk assessments on an ongoing basis.

It is intended that SFIs use the guidance notes to identify and address gaps in their risk assessment frameworks from a proportionate and risk-based approach.

The Guidance Notes are accessible on the Central Bank's website at www.centralbankbahamas.com, on the main page Latest News under Press Releases or in the Bank Supervision area of the website under: Core Functions → Bank Supervision Department → Policies and Guidance Notes → Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment Guidance Notes

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