



**CENTRAL BANK OF THE BAHAMAS**

**Anti-Money Laundering and Countering Terrorist Financing SURVEY 2017**

**Purpose:** The Central Bank of The Bahamas (“the Bank”) has issued this survey in an effort to support the expansion in supervisory coverage and more so to enhance our AML/CFT regime. The material provided in this survey will assist the Bank in responding effectively to the upcoming Caribbean Financial Action Task Force (CFATF) review of the Bahamian jurisdiction’s AML/CFT position, which is to take place again in 2018. All responses received will remain confidential. Please note that the survey is required to be completed and signed-off by both the Senior Official I and the Money Laundering Reporting Officer (MLRO).

Once completed, the survey should be returned to the Analytics Unit, Bank Supervision Department, [amlanalytics@centralbankbahamas.com](mailto:amlanalytics@centralbankbahamas.com) no later than Wednesday, 31st January, 2018.

**\*PART ONE: Document Requests**

Please confirm that your institution maintains Policies & Procedures on the topics listed below, and provide electronically the most recent relevant internal policy documents on these topics. Please also indicate the level of the most recent approval (BOD, CEO, MLRO, etc.). If the topic is not currently covered by a formal policy or procedure document, please indicate "Nil" in the "Approval Level" column and "31 January, 2018" in the "Date" column below.

	Approval Level	Date
<b>Policies &amp; Procedures Topics</b>		
Account Opening	<input type="text"/>	<input type="text"/>
Account Closure	<input type="text"/>	<input type="text"/>
Treatment of Bearer Shares	<input type="text"/>	<input type="text"/>
Risk Rating of Customers/Accounts	<input type="text"/>	<input type="text"/>
Transaction Monitoring	<input type="text"/>	<input type="text"/>
Unusual & Suspicious Activity Reporting	<input type="text"/>	<input type="text"/>
Reliance on 3rd Parties (e.g. Intermediaries/Business Introducers)	<input type="text"/>	<input type="text"/>
Foreign Account Tax Compliance Act (FATCA)	<input type="text"/>	<input type="text"/>
Enhanced Due Diligence Requirements	<input type="text"/>	<input type="text"/>
Electronic Funds/Wire Transfers	<input type="text"/>	<input type="text"/>
Record Keeping/Document Retention	<input type="text"/>	<input type="text"/>
Training (initial, ongoing, enhanced)	<input type="text"/>	<input type="text"/>
Terrorist Financing	<input type="text"/>	<input type="text"/>
Counter-Proliferation Financing	<input type="text"/>	<input type="text"/>
Cash Handling and Acceptance	<input type="text"/>	<input type="text"/>
<b>Other Documents</b>		
AML/CFT Risk Assessment	<input type="text"/>	<input type="text"/>
Latest Internal Audit Review of AML/CFT (including Management's Response)	<input type="text"/>	<input type="text"/>
Latest Compliance Review Report of AML	<input type="text"/>	<input type="text"/>
Special AML Review (in connection with Correspondent Banking requirements or other)	<input type="text"/>	<input type="text"/>
Latest Board Packs – Compliance and Audit	<input type="text"/>	<input type="text"/>
Documentation on Staff 2017 AML Training	<input type="text"/>	<input type="text"/>
Summary documentation on current AML Projects	<input type="text"/>	<input type="text"/>

## PART TWO: AML/CFT Survey Questions

### Section A: Governance

**1. What are your institution's material business activities? Select all that apply:**

- Private Banking       Trading  
 Trust Services       Investment or Merchant Banking  
 Commercial/Retail Banking       Investment/Fund Services  
 Treasury Functions       Other (specify):

**2. Has your institution conducted an AML/CFT Risk Assessment from a macro/enterprise level?**

- Yes, on a stand-alone basis  
 Yes, as part of the group assessment  
 No

**3. How often is the assessment refreshed?**

- Quarterly       Every 2-4 years  
 Bi-annually       As needed  
 Annually       Not Applicable

**4. Does your institution conduct Internal Audit reviews of the AML/CFT function?**

- Yes  
 No

**5. What was the overall Internal Audit rating assessed?**

- Satisfactory       Critically Deficient  
 Needs Improvement       Not Applicable  
 Deficient

**6. What is the usual Internal Audit cycle to review AML/CFT controls in your institution?**

- Quarterly       Every 2 - 4 years  
 Bi-annually       As needed  
 Annually       Not Applicable

**7. How often are periodic AML/CFT risk reviews of customer relationships conducted?**

- Quarterly       Every 2 - 4 years  
 Bi-annually       As needed  
 Annually       Never

**Section B: Compliance Officer (CO) /Money Laundering Reporting Officer (MLRO) Function**

**8. Does the Compliance Officer of your institution serve as the MLRO?**

- Yes
- No

**\*9. What were the appointment dates (MM/DD/YYYY) of the current:**

Date:	
MLRO?	<input type="text"/>
Compliance Officer?	<input type="text"/>

**10. Who conducts the performance assessment of the Compliance Officer?**

- Executive Management
- Board
- Board Committee
- Other (specify):

**11. If the Compliance Officer role is separate from the MLRO role, who conducts the performance assessment of the MLRO?**

- Executive Management
- Board
- Board Committee
- Not Applicable
- Other (specify):

**12. Does Compliance provide periodic reporting to the Board of Directors on AML/CFT matters?**

- Yes
- No

**13. How often?**

- monthly
- quarterly
- semi-annually
- annually
- Other (specify):

**Section C: AML Training**

**14. How frequently does your institution provide AML training to staff? Select all that apply**

- Upon commencement
- Annually
- Upon switching to an AML-relevant position
- Other (specify):

**15. What format does most staff training take?**

- Internal
- External
- Both

**Section D: Documented Policies & Procedures**

**16. Have your institution's Policies and Procedures been assessed as compliant with the relevant Bahamas legislation and applicable Regulation and Guidelines?**

- Yes
- No

**17. Who performed the most recent assessment?**

**Section E: Cash Procedures**

**18. Does your institution accept cash deposits?**

- Yes
- No

**19. Does your institution maintain cash on hand?**

- Yes
- No

**20. What is the typical level of cash held?**

- Less than \$500
- \$501 - \$5,000
- \$5,001 - \$15,000
- Over \$15,000
- Not Applicable

**Section F: Suspicious Transactions Reporting**

**21. How many Suspicious Transaction Reports (STRs) have been filed by your institution during the 2017 calendar year?**

- None
- Fewer than 10
- 11 - 50
- 51 – 100
- Over 100

**22. With which type of transactions have the STRs been associated? Select all that apply**

- CDD obligations                       new technologies  
 record keeping                               wire transfer rules  
 beneficial ownership information    targeted financial sanctions related to terrorist financing  
 PEPs     high risk countries (as identified by the FATF)  
 correspondent banking                       Other (specify):

**23. How many STRs have been filed during 2017 related to the suspected misuse of legal persons or legal arrangements?**

- None  
 Less than 10  
 11 - 50  
 51 – 100  
 Over 100

**Section G: Client Onboarding/Client Base**

**24. How many client relationships have been rejected or terminated due to concerns about Customer Due Diligence (CDD) or other AML/CFT matters, from January 2015 to date?**

- None  
 1 - 10  
 11 - 50  
 51 – 100  
 Over 100

**\*25. Please estimate the major sources of your current client base.**

Source of Business	% of Total Clients	% of Total Asset \$ Value
Direct Client Marketing	<input type="text"/>	<input type="text"/>
Intermediaries/External Asset Managers	<input type="text"/>	<input type="text"/>
Referrals from Group/Head Office	<input type="text"/>	<input type="text"/>
Acquisition of Another Company	<input type="text"/>	<input type="text"/>
Other (please specify): <input type="text"/>	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>

**26. If a material source of business is through Intermediaries/External Asset Managers, or Other, does your institution rely on those third parties to provide confirmation of due diligence?**

- Yes  
 No

**27. How many of your clients are Charitable or Non-Profit Organizations?**

- None
- Fewer than 10
- 11 - 50
- 51 – 100
- Over 100

**28. What is the minimum risk rating given to Charitable/Non-Profit Organizations?**

- High
- Medium High
- Medium
- Medium Low
- Low

**29. How does your institution define/constitute Politically Exposed Persons (PEPs)? If already provided as part of the document request, please indicate the page number and section of the relevant document(s); otherwise provide the definition in the space below.**

▼	▼	▼
<span>Formats ▼</span> <span>Font Family ▼</span> <span>Font Sizes ▼</span>		

**30. What is the minimum risk rating given to PEPs?**

- High
- Medium High
- Medium
- Medium Low
- Low

**\*31. For trust and fiduciary arrangements (if applicable to your institution), does your institution request beneficial ownership information on the following persons/parties of a trust?**

	Yes	No	Not Applicable
Settlers	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Beneficiaries	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Protectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Investment Advisors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>



**\*32. What is the breakdown of your client base by natural persons and legal persons?**

	%
Type of Clients	
Natural Persons	
Legal Persons	

**\*33. Provide a breakdown of the top ten (10) home countries/jurisdictions of your underlying clients/beneficial owners.**

	No. of Accounts	Total Loans (\$ 000s)	Total Deposits (\$ 000s)	Fiduciary Assets (\$
Top Ten (10) Countries				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Please specify				
Other Countries				
Total				

**\*34. Please complete the below table relative to your institution's account information and risk rating framework as at 30 November, 2017.**

	No. of Accounts	\$ Value	% of Accounts
High Risk			
Medium Risk			
Low Risk			
PEP Accounts			
Account Risk Reviews Completed			

**35. When assessing the AML risk of new clients, does your institution use a third party AML Risk Analytics service/tool?**

- No  
 Yes (specify):

**Section H: Unverified Accounts**

**36. Does your institution have any unverified accounts or clients?**

- Yes
- No

**37. How many unverified accounts or clients does your institution have?**

- None
- Fewer than 100
- 101 - 500
- 501 – 1,000
- Over 1,000
- Not Applicable

**38. If there are unverified accounts, please briefly describe the extent and reasons for this shortfall, and how your institution intends to rectify these.**

▼	▼	Formats ▼ Font Family ▼ Font Sizes ▼

**39. Please estimate the average number of total customer transactions between Bahamian and non-Bahamian business undertaken by your institution in a typical month.**

	Bahamian business	Non-Bahamian business
Average Number of Total Customer Transactions	<input type="text"/>	<input type="text"/>

## Section I: Correspondent Banking

40. Please provide the name of your primary correspondent bank.

41. How many active correspondent banking relationships (CBRs) does your institution maintain?

- 0
- 1
- 2
- 3
- More than 3

42. Has your institution been de-risked during 2016 or 2017? If so, provide the name(s) of the relevant correspondent bank.

- No
- Yes, name:

43. Does your bank have a formal contingency plan in place to handle a withdrawal of a CBR?

- Yes
- No

44. If so, broadly, what is the nature of your formal contingency plan (select all that apply):

- Secure a new (alternative) correspondent banking relationship
- Use/rely on an existing correspondent banking relationship (e.g. Parent/Head Office)
- Use of alternative payment methods
- Other (specify):

45. Have there been any additional AML/CFT requirements imposed by your correspondent banker? Please select all that apply.

- Undergo a special or separate AML review in connection with obtaining and/or maintaining your correspondent banking relationship
- Provide additional procedures and policies on AML/KYC and/or internal audit
- Expansion of certifications and/or questionnaires
- Personal interviews with the Director of Compliance focusing on on-boarding process and screening
- More scrutiny of each transaction
- Other (specify):

46. What is your institution's perspective on the stability of the current Correspondent Banking landscape for institutions in The Bahamas?

- Improving
- Same
- Worsening

**Section J: Tax Compliance**

**47. Does your institution conduct business with U.S. persons?**

- Yes
- No

**48. Has your institution commenced reporting under the Foreign Account Tax Compliance Act (FATCA)?**

- Yes
- No

**49. Given the new tax standards imposed by the U.S., for those accounts which are non tax-compliant what time period has been given for accounts to be compliant.**

- within 15 days
- 15 – 30 days
- more than 30 days

**50. Is your institution Common Reporting Standards (CRS) ready?**

- Yes
- No
- In progress

**51. Is it your policy that clients must be tax-compliant in their country(ies) of nationality, residence and/or domicile?**

- Yes  
 No

**52. Provide a breakdown of compliant vs. non-compliant clients.**

	No. of Client Accounts	%
Compliant	<input type="text"/>	<input type="text"/>
Non-compliant	<input type="text"/>	<input type="text"/>

**\*Section K: Public Information Environment**

**On a scale from 1 to 5, with 1 being “not at all helpful” and 5 being “very helpful”; please rate the following potential initiatives of the Central Bank.**

	Not at all helpful			Very helpful		
	1	2	3	4	5	
53. Issuance of an annual report by the Central Bank to your institution on your AML/CFT compliance, suitable for sharing with correspondent banks and other interested parties?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
54. Development of a regular internet-enabled forum (webcasts, etc.) to facilitate communication between industry and regulators on AML/CFT risks?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
55. Facilitation of an annual conference to discuss AML/CFT risks, and the national agenda to improve the Bahamian position in this area?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
56. Publication of an annual review of the Bahamian jurisdiction's AML/CFT risk position, similar in tone to the extant Financial Stability Reviews?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

**\*January 31, 2018**

**Charles Littrell  
Inspector of Banks and Trust Companies  
Central Bank of The Bahamas**

**Dear Mr. Littrell**

**Per your request dated 12 December 2017, we are providing the required documents and survey response.**

**We wish to provide the following clarifications as regards our response: [Optional discussion of any data items, interpretations, or similar issues].**

▼	▼	Formats ▼ Font Family ▼ Font Sizes ▼

**SFI Name:**

**\*Yours faithfully,**

		<b>Name:</b>
	Please select:	
Senior Official 1	<input type="checkbox"/>	<input type="text"/>
MLRO	<input type="checkbox"/>	<input type="text"/>

Thank you for taking the survey.