



EXTRAORDINARY
OFFICIAL GAZETTE
THE BAHAMAS
PUBLISHED BY AUTHORITY

NASSAU

25th May, 2018

FINANCIAL TRANSACTIONS REPORTING ACT, 2018

Arrangement of Sections

Section

PART I - PRELIMINARY	4
1. Short title and commencement.....	4
2. Interpretation.....	4
PART II – DUTY OF FINANCIAL INSTITUTIONS	11
3. Financial institutions.....	11
4. Designated non financial business and profession.....	13
RISK ASSESSMENT	14
5. Conduct of risk assessment.....	14
CUSTOMER DUE DILIGENCE	15
6. Financial institutions to undertake customer due diligence measures.....	15
7. Due diligence measures.....	17
8. Identification and verification.....	18
9. Reliance on customer due diligence by third party.....	19
10. Correspondent relationship.....	20
11. Inability to fulfil customer identification obligations.....	20
12. On-going due diligence.	21
13. Enhanced customer due diligence.	21
14. Risk assessment of politically exposed persons.....	22
RECORD KEEPING	22
15. Financial institutions to maintain records.	22
16. How records are to be kept.....	23
17. Mandatory destruction of records.....	23
18. Record keeping offences.....	23
INTERNAL CONTROLS	24
19. Financial institution to develop procedures.....	24
20. Designation of compliance officers.	24
21. Internal controls in a group of entities.....	25
22. Minister may prescribe measures to be imposed on financial institutions.....	25
23. Compliance with obligations by foreign subsidiaries and branches.....	25
24. Prohibition against shell banks.....	25
SUSPICIOUS TRANSACTIONS	26
25. Financial institutions to report suspicious transactions.....	26

26.	Auditors to report suspicious transactions.....	27
27.	Protection of identity of persons, etc. relating to suspicious transaction reports.	27
28.	Protection of persons reporting suspicious transactions.....	27
29.	Inapplicability of confidentiality provisions.....	28
30.	Tipping off.	28

PART III – ROLE OF THE COMPLIANCE COMMISSION 28

31.	Continuation of Compliance Commission.	28
32.	Functions of Commission.....	29
33.	Designated Non-Financial Business and Profession to register with Compliance Commission.....	29
34.	Powers of Commission to require production of records.....	30
35.	Confidentiality.....	30
36.	Minister may designate other body to carry out regulatory functions under this Act.....	33
37.	Codes of practice.....	33

PART IV – INVESTIGATION AND POWERS OF SEARCH 33

38.	Search warrants.....	33
39.	Form and content of search warrant.....	34
40.	Powers conferred by warrant.	34
41.	Person executing warrant to produce evidence of authority.....	35
42.	Notice of execution of warrant.....	35
43.	Custody of property seized.....	35
44.	Procedure where certain documents seized.	36
45.	Disposal of things seized.....	36

PART V - OFFENCES 37

46.	Interpretation.....	37
47.	Failure to comply with identification requirements.....	37
48.	Failure to fulfil due diligence obligations.....	37
49.	Failure to report suspicious transactions.....	38
50.	False or misleading statements.....	38
51.	Confidentiality violation.....	38
52.	Additional sanctions.....	38
53.	Defence.....	38

PART VI – MISCELLANEOUS 39

54.	Liability of employers and principals.....	39
55.	Directors and officers of bodies corporate.....	39
56.	Non-compliance not excused by contractual obligations.....	40
57.	Administrative penalties.....	40
58.	Act to bind the Crown.....	41
59.	Regulations.....	42

60. Extension of Act.	42
61. Repeals.....	43

FIRST SCHEDULE	43
-----------------------	-----------

SECOND SCHEDULE	43
------------------------	-----------



No. 5 of 2018

FINANCIAL TRANSACTIONS REPORTING ACT, 2018

AN ACT TO REPEAL AND REPLACE THE FINANCIAL TRANSACTIONS REPORTING ACT AND FOR MATTERS CONNECTED THERETO

[Date of Assent - 25th May, 2018]

Enacted by the Parliament of The Bahamas

PART I - PRELIMINARY

1. Short title and commencement.

- (1) This Act may be cited as the Financial Transactions Reporting Act, 2018.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice to be published in the *Gazette*.

2. Interpretation.

- (1) In this Act —
“**account**” means any facility or arrangement by which a financial institution or a Designated Non-Financial Business and Profession does any of the following—
 - (a) accepts deposits of cash;
 - (b) allows withdrawal or transfer of cash;
 - (c) pays negotiable or transferable instruments or other orders or collects negotiable or transferable instruments or payment orders on behalf of, any other person; or
 - (d) provides any facility or arrangement for a safety deposit box or for any other form of safe deposit;