

CHAPTER 368

FINANCIAL TRANSACTIONS REPORTING

**FINANCIAL TRANSACTIONS REPORTING
REGULATIONS**

(SECTION 50)

[Commencement 29th December, 2000]

1. These regulations may be cited as the Financial Transactions Reporting Regulations.

S.I. 111/2000
S.I. 113/2001
S.I. 128/2001
S.I. 103/2003
S.I. 13/2009
S.I. 14/2009

Citation.

2. For the purposes of Part II of the Financial Transactions Reporting Act the prescribed amount shall be the sum of \$15,000.00.

Prescribed amount.
S.I. 103/2003.
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3. (1) For the purposes of section 11(1) of the Act, where a financial institution is required to verify the identity of any individual the following information is required —

Procedure for verification.
S.I. 103/2003.

- (a) full and correct name of the individual;
- (b) address;
- (c) date and place of birth; and
- (d) purpose of the account and the nature of the business relationship.

(2) In addition to the requirements mentioned in sub-paragraph (1) the following information may be required —

- (a) source of funds;
- (b) signature;
- (c) telephone and fax number (if any);
- (d) occupation and name of employer (if self employed, the nature of the self employment);
- (e) copy of the relevant pages of passport, drivers licence, voters card, national identity card or such other identification document bearing a photographic likeness of the individual as is reasonably capable of establishing the identity of the individual; or
- (f) such documentary or other evidence as is reasonably capable of establishing the identity of that individual.

Procedure for
verification of
corporate
entities.
S.I. 13/2009, r. 2.

4. (1) For the purposes of section 11(1) of the Act where a financial institution is required to verify the identity of any corporate entity whether incorporated in The Bahamas or elsewhere, the following information shall be required —

- (a) certified copy of the certificate of incorporation;
- (b) resolution of the Board of Directors authorizing the opening of the account and conferring authority on the person who will operate the account;
- (c) documentary evidence in accordance with regulation 3 in respect of the individual identified pursuant to subparagraph (b);
- (d) confirmation that the corporate entity has not been struck off the register or is not in the process of being wound up; and
- (e) in accordance with Regulation 7A, names and addresses of the beneficial owners of the corporate entity.

(2) In addition to the requirements mandated in paragraph (1), a financial institution may require the following information —

- (a) certified copy of the Memorandum and Articles of Association of the entity;
- (b) location of the registered office or registered agent of the corporate entity;
- (c) names and addresses of all officers and directors of the corporate entity;
- (d) description and nature of the business including:
 - (i) date of commencement of business;
 - (ii) products or services provided;
 - (iii) location of principal business;
- (e) purpose of the account and the potential parameters of the account including:
 - (i) size, in the case of investment and custody accounts;
 - (ii) balance ranges, in the case of deposit accounts;
 - (iii) the expected transaction volume of the account;
- (f) written confirmation that all credits to the account are and will be beneficially owned by

the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity; and

- (g) such other official documentary and other information as is reasonably capable of establishing the structural information of the corporate entity.

(3) The financial institution shall take reasonable measures to identify the natural persons who either possess a controlling interest in the corporate entity or who control its management.

5. (1) For the purposes of section 11 (1) of the Act where a financial institution is required to verify the identity of partnerships or other unincorporated businesses, the following information shall be required —

- (a) verification of all partners or beneficial owners in accordance with regulation 3;
- (b) copy of partnership agreement, if any, or other agreement establishing the unincorporated business;
- (c) mandate from the partnership or beneficial owner authorizing the opening of the account and conferring authority on those who will operate the account; and
- (d) documentary evidence in accordance with regulation 3 in respect of the individual identified pursuant to subparagraph (c).

Verification of identity of partnerships or unincorporated businesses.
S.I. 13/2009, r. 5.

(2) In addition to the requirements mandated in paragraph (1) the financial institution may require the following information —

- (a) description and nature of the business including:
 - (i) date of commencement of business;
 - (ii) products or services provided;
 - (iii) location of principal place of business;
- (b) purpose of the account and the potential parameters of the account including:
 - (i) size, in the case of investment and client accounts;
 - (ii) balance ranges, in the case of deposit and client accounts;

- (iii) the expected transaction volume of the account;
- (c) written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity; and
- (d) such documentary or other evidence as is reasonably capable of establishing the identity of the partners or beneficial owners.

Exemption from verification procedures.
S.I. 13/2009, r. 4.
S.I. 113/2001.

5A. Subject to the provisions of section 10A of the Act, documentary evidence shall not normally be required for verification of identity of —

- (a) any financial institution regulated by the Central Bank of The Bahamas, The Securities Commission of The Bahamas, The Registrar of Insurance, or the Gaming Board;
- (b) a financial institution located in a jurisdiction specified in the First Schedule to the Financial Transactions Reporting Act which is regulated by a body having equivalent regulatory and supervisory responsibilities as the Central Bank of The Bahamas, the Securities Commission of The Bahamas, The Registrar of Insurance, or the Gaming Board;
- (c) any central or local government agency or statutory body;
- (d) a publicly traded company or mutual fund listed on The Bahamas International Stock Exchange or any other Stock Exchange specified in the Schedule and approved by the Securities Commission of The Bahamas;
- (e) a regulated mutual fund as defined in section 2(1) of the Mutual Funds Act or regulated mutual fund located in a country specified in the First Schedule to the Financial Transactions Reporting Act and regulated by a body having equivalent regulatory and supervisory responsibilities as the Securities Commission of The Bahamas;
- (f) an applicant for insurance consisting of a policy of insurance in connection with a pension

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scheme taken out by virtue of a person's contract of employment or occupation;

- (g) an applicant for insurance in respect of which a premium is payable in one instalment of an amount not exceeding \$2,500;
- (h) an applicant for insurance in respect of which a periodic premium is payable and where the total payable in respect of any calendar year does not exceed \$2,500;
- (i) any Bahamian dollar facility of or below the amount prescribed under regulation 2.

S.I. 103/2003.

6. (1) "Facility" as defined in section 2 of the Financial Transactions Reporting Act includes a trust settlement.

Trust settlement.
S.I. 13/2009, r. 5.
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(2) For the purposes of section 11(1) of the Act where a financial institution is required to verify identity in relation to a trust, the financial institution, in addition to the obligations imposed by the Act and these Regulations, shall take reasonable measures to determine the identity of the settlor and of the person exercising effective control over the trust.

S.I. 13/2009, r. 5.

7. (1) Where any request is made to a financial institution, by telephone, Internet, or written communication for a person, corporate entity or partnership to become a facility holder, the financial institution shall verify the identity of that person, corporate entity or partnership as provided in regulations 3 to 5 as appropriate.

Verification of facilities established by telephone or Internet.

(2) Subject to the directions and guidance issued by its Supervisory Authority, where the financial institution has obtained written confirmation from either —

S.I. 13/2009, r. 6.

- (a) a financial institution; or
- (b) a foreign financial institution,

and such financial institution or foreign financial institution, as the case may be, has verified the identity of the person, corporate entity, partnership or other unincorporated business entity specified in paragraph (1), no further verification of identity is necessary.

7A. Any obligation to verify the identity of a facility holder under Part II of the Act shall include an obligation to verify the identities of the beneficial owners of such facility in accordance with these Regulations:

Verification of beneficial owners.

S.I. 103/2003.

Provided however, that in the case of the verification of identity of a corporate entity, the obligation to verify the identity of beneficial owners will only be required for those beneficial owners having a controlling interest in the corporate entity.

S.I. 14/2009, r. 14.

Continued verification of accounts.

S.I. 103/2003.

8. Revoked.

9. (1) Once verification of identity of a facility holder has been completed no further verification of identity is necessary unless there is a material change in the way the facility is operated.

(2) Financial institutions shall monitor facility holders for consistency with the facility holders stated account purposes during the business relationship.

Transfer of records.

10. Where an existing facility holder closes one facility and opens another facility the financial institution shall confirm the identity of the facility holder and obtain any additional information with respect to the facility holder and all records relating to the existing account shall be transferred to the new facility and retained for the relevant period.

Retention of records.

11. Records required by sections 23, 24 or 25 of the Act to be kept by any financial institution may be stored on microfiche, computer disk or in other electronic form.

S.I. 113/2001.

SCHEDULE (Regulation 5A(d))

APPROVED STOCK EXCHANGES

American Stock Exchange (AMEX)

Amsterdam Stock Exchange (Amsterdamse Effectenbeurs)

Antwerp Stock Exchange (Effectenbeurs vennootschap van Antwerpen)

Athens Stock Exchange (ASE) (Australian Stock Exchange)

Barcelona Stock Exchange (Bolsa de Valores de Barcelona)

Basle Stock Exchange (Basler Borse)

Belgium Futures & Options Exchange (BELFOX)

Berlin Stock Exchange (Berliner Borse)

Bergen Stock Exchange (Bergen Bors)

Bermuda Stock Exchange

Bibiao Stock Exchange (Borsa de Valores de Bilbao)

Bologna Stock Exchange (Borsa Valori de Bologna)
Bordeaux Stock Exchange Boston Stock Exchange
Bovespa (S3o Paulo Stock Exchange)
Bremen Stock Exchange (Bremener Wertpapierborse)
Brussels Stock Exchange (Societe de la Bourse des Valeurs
Mobilieres/Effecten Beursvennootschap van Brussel)
Cayman Islands Stock Exchange
Cincinnati Stock Exchange
Copenhagen Stock Exchange (Kobenhayns Fondsbors)
Dusseldorf Stock Exchange (Rheinsch-Westflilische Borse Zu
Düsseldorf)
Florence Stock Exchange (Borsa Valori di Firenze)
Frankfurt Stock Exchange (Frankfurter Wertpapierborse)
Fukuoka Stock Exchange
Geneva Stock Exchange
Genoa Stock Exchange (Borsa Valori de Genova)
Hamburg Stock Exchange (Hanseatische Vertpapier Borse
Hamburg)
Helsinki Stock Exchange (Helsingen Arvopaperiporssi Osuuskunta)
Hong Kong Stock Exchange
Irish Stock Exchange
Johannesburg Stock Exchange
Korea Stock Exchange
Kuala Lumpur Stock Exchange
Lille Stock Exchange
Lisbon Stock Exchange (Borsa de Valores de Lisboa)
London Stock Exchange (LSE)
Luxembourg Stock Exchange (Societe de la Bourse de Luxembourg
SA)
Lyon Stock Exchange
Madrid Stock Exchange (Bolsa de Valores de Madrid)
Marseille Stock Exchange
Mexican Stock Exchange (Bolsa Mexicana de Valores)
Midwest Stocks Exchange
Milan Stock Exchange (Borsa Valores de Milano)
Montreal Stock Exchange
Munich Stock Exchange (Bayerische Borse in Miinchen)

Nagoya Stock Exchange
Nancy Stock Exchange
Nantes Stock Exchange
Naples Stock Exchange (Borsa Valori di Napoli)
NASDAQ (The National Association of Securities Dealers
Automated Quotations)
New York Stock Exchange
New Zealand Stock Exchange
Oporto Stock Exchange (Bolsa de Valores do Porto)
Osaka Stock Exchange
Oslo Stock Exchange (Oslo Bors)
Pacific Stock Exchange
Palermo Stock Exchange (Borsa Valori di Palermo)
Paris Stock Exchange
Philadelphia Stock Exchange
Rio de Janeiro Stock Exchange (BVRI)
Rome Stock Exchange (Borsa Valori di Roma)
Singapore Stock Exchange
Stockholm Stock Exchange (Stockholm Fondbors)
Stuttgart Stock Exchange (Baden-Wiirtembergische
Wertpapierborse Zu Stuttgart)
Taiwan Stock Exchange
The Stock Exchange of Thailand
Tokyo Stock Exchange
Toronto Stock Exchange
Trieste Stock Exchange (Borsa Valori di Trieste)
Trondheim Stock Exchange (Trondheims Bors)
Turin Stock Exchange (Borsa Valori de Torino)
Valencia Stock Exchange (Borsa de Valores de Valencia)
Vancouver Stock Exchange
Venice Stock Exchange (Borsa Valori de Venezia)
Vienna Stock Exchange (Wiener Wertpapierborse)
Zurich Stock Exchange (Ziircher Borse).