



AML/CFT/CPF REPORT

**ANTI-MONEY LAUNDERING
COUNTERING THE FINANCING
OF TERRORISM AND
COUNTERING PROLIFERATION
FINANCING**



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MESSAGE FROM THE CHAIRPERSON

Christina R. Rolle
Chairperson (2021-2023)
Group of Financial Services Regulators

During the period 2021-2023, The Bahamas' Financial Services Sector showed remarkable resilience in the face of multiple shocks, most notably the COVID-19 pandemic, the subsequent inflationary pressures, and the geopolitical instability affecting the global financial system. Throughout these turbulent times, The Bahamas and its financial services industry have remained steadfast in maintaining its compliance with best supervisory practices, concerning AML/CFT/CPF.

Since its establishment in 2002, the Group of Financial Services Regulators (GFSR) has developed a robust framework to reinforce The Bahamas' reputation globally (and domestically), as a stable jurisdiction committed to adherence with international standards and best practices. To fortify this framework, GFSR members signed a Memorandum of Understanding (MoU) formalising their commitment to promoting financial sector stability through the timely and effective exchange of information, coordinated supervisory efforts, mutual assistance to enhance regulatory functions, and devising collaborative responses to potential systemic risk. The Bahamas AML/CFT/CPF Report, now in its third iteration, highlights the substantial advances

achieved as GFSR continues to deliver on its mandate. GFSR members merit recognition for their



significant progress, including numerous legislative and policy achievements that have not only enhanced financial products and services but also ensured that The Bahamas continues to meet its international obligations in combatting money laundering, terrorism and proliferation financing. Robust AML/CFT/CPF provisions are consistently updated and monitored by members, who remain guided by the standards set by international bodies, including the Financial Action Task Force (FATF).

This progress was further acknowledged during the 2022 FATF re-rating exercise, in which The Bahamas became one of the first countries globally to achieve “Largely Compliant” and “Compliant” technical compliance ratings across all 40 FATF Recommendations. This reflects not only the effective coordination between the GFSR and the Office of the Attorney General, but also to the unwavering commitment of all stakeholders, including those in the private sector.

Nonetheless, emerging threats and risks continue to evolve. Presently, these manifest through rapidly developing technologies, such as cryptocurrencies, other virtual assets and artificial intelligence, heightened cyber security risks, and ongoing financial and geopolitical volatility.

Threats to financial stability are increasingly complex and are attracting heightened attention from global institutions. In partnership with other organisations, the GFSR, continues to actively mitigate these risks, including those arising from linkages and interconnectedness amongst entities, which could result into financial disruption.

The Bahamas' financial system must also adapt continually to evolving global compliance standards set by international organisations. The jurisdiction remains under constant threat of grey-listing, blacklisting, and the associated adverse impacts. The GFSR, however, remains resolute in responding to these challenges, and committed to ensuring The Bahamas maintains its position at the forefront of the regulatory practice.

To strengthen risk management, the Identified Risk Framework Steering Committee (IRF Steering Committee) comprising the Office of the Attorney General (OAG), GFSR members, and the Financial Intelligence Unit (FIU), conducted the 2017-2022 National Risk Assessment (NRA) for the financial services sector. The NRA assessed banking and trust businesses, corporate service providers, insurance, gaming, securities, credit unions and money transmission services; and informed updates to the National Identified Risk Strategy (NIRFS). The work of the IRF Steering Committee is ongoing and members in partnership with other relevant stakeholders continue to meet frequently to monitor compliance with AML/CFT/CPF obligations, United Nations Security Council Resolutions (UNSCR) Orders and

other risks ahead of new mutual evaluation assessments.

The GFSR has also initiated the production of updated guidance notes on proliferation financing. A framework is being developed for regulators to supervise Common Reporting Standards (CRS) among licensees. Additionally, based on private sector feedback, the GFSR has formed a working group to standardise reporting by licensees on United Nations Security Council (UNSC) Sanctions and to evaluate the coordination of regulatory reporting requirements for licensees and registrants. Training initiatives for Money Laundering Reporting Officers, Compliance Officers and other relevant personnel continued, fostering a zero-tolerance approach to financial crimes, a critical factor in safeguarding the jurisdiction's integrity and risk profile.

Significant strides have been made to enhance standards and knowledge regarding the suppression of financial crimes. The Central Bank of The Bahamas' Annual International Research Conference on Empirical Approaches to Anti-Money Laundering and Financial Crime exemplifies this effort, bringing together academics, relevant agencies and thought leaders to share their expert knowledge and research on the efficacy of the global fight to combat financial crime. This report further reflects our ongoing efforts and reinforces awareness among regulatory stakeholders of our commitment to eradicating money laundering and terrorist and proliferation financing.

Financial Services regulators, government agencies, and private sector stakeholders should take pride in the progress achieved over the period 2021-2023. Collectively, we have enacted legislation, guidance, and policies that have positioned The Bahamas'

AML/CFT/CPF regime among the most compliant globally.

Yet, the pursuit of progress remains ongoing. Emerging technologies will enable enhanced monitoring and reporting capabilities, while strengthened coordination with stakeholders will drive greater efficiency in meeting compliance objectives. As we maintain this positive momentum and recognise the efforts of GFSR members in this

report, we reaffirm our commitment to adhering to the highest regulatory and supervisory standards in addressing ML/TF/PF risks.



Chairperson
Group of Financial Services Regulators

ROLE AND FUNCTION OF THE GFSR

The GFSR member agencies are responsible for ensuring the effective operation of the AML/CFT/CPF regime in the Bahamian financial and corporate services sectors. GFSR agencies are signatories to a Memorandum of Understanding (MOU), which allows information to be shared to effectively supervise the financial services sector. The Financial Intelligence Unit (FIU) is a regular and welcomed observer at GFSR meetings, and participates in many GFSR activities.

This report provides an overview of the GFSR's and FIU's AML/CFT/CPF activities for the period 2021–2023. The GFSR and the FIU continue to strengthen their collaboration on AML/CFT/CPF initiatives. These initiatives demonstrate the ongoing commitment to providing accessible, engaging content for local and international AML/CFT/CPF stakeholders and maintaining a comprehensive database on local money laundering and financial issues.

The MoU outlines the arrangement for consolidated supervision of financial conglomerate groups in The Bahamas, including, but not limited to regular communication, monitoring capital and inter-group transactions and, where appropriate, mutual decision-making regarding supervisory approvals and reprimands. In an effort to collectively and effectively combat money laundering, terrorist financing, and proliferation financing (ML/TF/PF), the GFSR in conjunction with the FIU, has proposed increased public communications on ML/TF/PF risk management by the GFSR.

The role of each regulator and the scope of their regulatory oversight is outlined in the following pages.



CENTRAL BANK OF THE BAHAMAS

The Central Bank of The Bahamas' statutory mandate is to promote and maintain monetary stability and credit and balance of payments conditions conducive to the orderly development of the economy; to promote and maintain an adequate banking system and high standards of conduct and management therein; and to advise the Minister of Finance on any matter of a financial or monetary nature. This mandate is defined under the Central Bank of The Bahamas Act, 1974 now superseded by the Central Bank of The Bahamas Act, 2020. In so far as the stability and oversight of the financial system are concerned, these are also governed by provisions in the Banks and Trust Companies Regulations Act and updated in 2020, Bahamas Co-operative Credit Unions Act 2015 and the Payment Systems Act 2012.

The Central Bank's mission is to promote a leading financial services industry within the framework of dynamic monetary policy developments, modernised payment systems, sound management strategies and capacity building.

The Central Bank promotes confidence in the financial system by implementing policies and standards that are in keeping with international best practices for supervision and regulation. One of the Central Bank's key responsibilities is providing anti-money laundering/countering the financing of terrorism/countering the proliferation of financing (AML/CFT/CPF) oversight of its supervised financial institutions. The Bank is responsible for the regulation and supervision of banks and or trust companies, co-operative credit unions and money transmission businesses and the registration of registered representatives.



SECURITIES COMMISSION OF THE BAHAMAS

The Securities Commission of The Bahamas (the Commission), established in 1995, is committed to the growth and development of a vibrant, competitive financial services sector renowned for regulatory excellence. Its Mission is to effectively oversee and regulate the activities of the investment funds, securities and capital markets, to protect the investors while strengthening public and institutional confidence in the integrity of those markets.

The Commission is responsible for the administration of the Securities Industry Act, 2011 (SIA), the Investment Funds Act, 2019 (IFA), and the Digital Assets and Registered Exchanges Act, 2020 (DARE). The Commission functioned as the duly appointed Inspector of Financial and Corporate Services, since 1 January 2008; however, with the promulgation of the Financial and Corporate Service Providers Act, 2020 the Commission was made responsible, in its own right, for the administration of the FCSPA.

These Acts provide the mandate for the Commission to regulate investment funds, securities, the capital markets, non-bank financial services, corporate services, initial token offerings and digital exchanges. This includes responsibility for the licensing or registration and supervision of intermediaries, including brokers, dealers, advisors, investment managers, investment fund administrators and digital assets service providers.

With respect to the SIA and IFA, the Commission's functions are to formulate principles to regulate and govern investment funds, securities and the capital markets; maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities; foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets; protect the integrity of the capital markets against any abuses arising from financial crime, market misconduct and other unfair and improper practices; promote an understanding by the public of the capital markets and its participants and the benefits, risks and liabilities associated with investing; create and promote conditions that facilitate the orderly development of capital markets; and to advise the Minister of Finance on all matters relating to capital markets and its participants. The Commission is mandated to carry out similar functions in relation to its administration of the FCSPA, and DARE.

THE INSURANCE COMMISSION OF THE BAHAMAS

The Insurance Commission of The Bahamas (the Commission) was established on 2 July 2009, under the Insurance Act, 2005. It is an independent regulatory agency with responsibility for regulating and control of all insurers and intermediaries' activities in and through The Bahamas. The Insurance Commission serves as the prudential and market conduct regulator, and provides ongoing monitoring and control of all domestic insurers (general, long-term), external insurers, agents, brokers, salespersons, adjusters, insurance managers. Its purpose is to ensure a sound and stable insurance marketplace and to ensure consumer confidence is maintained in the insurance industry. The mandate of the Commission includes:

- Administration of the 2005 Insurance Act and the 2009 External Insurance Act
- Surveillance over the insurance market;
- Promotion and encouragement of sound and prudent insurance management and business practices;
- Advising the Minister of Finance on insurance matters regarding the insurance market; and
- Ensuring that licensees comply with:
 - the provisions of the Financial Transactions Reporting Act and
 - other Anti-Money Laundering and Countering the Financing of Terrorism legislation.

The Insurance Commission's mission is to protect the interests of the insured public by:

- Conducting prudential supervision of those registered and licensed insurance entities operating in and from within The Bahamas;
- Ensuring that the solvency of insurers and re-insurers conducting insurance business is maintained in accordance with the Domestic and External Insurance Acts;
- Facilitating the orderly functioning of re-insurers, insurers, and intermediaries; and
- Giving effect to associated matters both domestic and international.

The Commission is committed to strengthening the protection given to policyholders under the existing Act and the continuous and consistent review of existing legislation to improve the overall efficiency of the jurisdiction.

The Commission is an active member of other regional and international bodies including the International Association of Insurance Supervisors, Caribbean Association of Insurance Regulators, and the Group of International Insurance Centre Supervisors.



The Compliance Commission
of The Bahamas

THE COMPLIANCE COMMISSION OF THE BAHAMAS

The Compliance Commission of The Bahamas (the Commission) is an independent statutory authority established under section 39 of the Financial Transactions Reporting Act (FTRA, 2000) now repealed and replaced by the Financial Transactions Reporting Act, 2018 (FTRA, 2018), and continues in existence under section 31 of the FTRA, 2018. This Statutory Body exist for the express purpose of ensuring that financial institutions within its remit (as set out in section 32(2) and subsequently in sections 3 and 4 of the FTRA, 2018), comply with the provisions of the FTRA. The Commission commenced its operation on January 1st 2001 as the Anti-Money Laundering Regulatory Authority for Designated Non-Financial Business and Profession specified in section 4 paragraphs (a), (b), (c), (e), (f), (g) (iv), (h), (i), (j), and (k) of the FTRA, 2018, inclusive of real estate agents and brokers, land developers, dealers in precious metals, precious stones and pawn shops, lawyers, accountants, persons acting in the capacity of trustee and designated government agencies. Although it is an independent agency, the Commission falls within the responsibility of the Minister of Finance.

The mission of the Commission is to ensure that Designated Non-Financial Business and Profession (DNFBPs) supervised by The Compliance Commission meet best international standards and practices, consistent with the provisions of Bahamian AML/CFT/CPF legislation, aimed at maintaining The Bahamas' reputation as a leading international business center.

Regulatory oversight and primary functions, as described in section 32 of the Financial Transactions Reporting Act, 2018 (FTRA, 2018), requires the Compliance Commission:

- to maintain a general review of the financial institutions in relation to the conduct of financial transactions and to ensure compliance with the provisions of FTRA, 2018; and
- to conduct on-site examinations of the business of the financial institution, when deemed necessary by the Commission at the expense of the financial institution, for the purpose of ensuring compliance with the provisions of the FTRA, 2018, and in such cases, where the Commission is unable to conduct such examination, to appoint an auditor at the expense of the financial institution to conduct such examination and to report thereon to the Commission.



GAMING BOARD FOR THE BAHAMAS

In 2014, the passage of new gaming legislation namely, the Gaming Act, The Gaming Regulations and the Gaming House Operator Regulations sought to conform to international best-practice standards by putting in place stringent qualification requirements for participation in gaming and related activities.

In 2019, the Gaming Act was amended to provide for the extension of the regulatory jurisdiction of the Gaming Board for The Bahamas (the Gaming Board). Thus, pursuant to the various gaming statutory instruments, the Gaming Board's mandate is to regulate and supervise two distinct gaming sectors: a tourist-based commercial casino sector; and a domestic sector offering a hybrid form of Internet gaming pursuant to which domestic players may engage in an account based, direct online experience or game interactively in an account based, bricks and mortar gaming house.

Gaming Licensees and Gaming House Operator Licensees offer international and domestic players, respectively, a full range of casino, lottery and sports wagering options that are subject to regulatory requirements. Operators in both sectors are subject to probity investigations that meaningfully establish their eligibility from a good character, honesty, integrity, and financial stability perspective to participate in this highly regulated industry. Likewise, all control program components of the games operated in either sector are required to be tested and certified for fairness, accuracy and auditability by world-renowned independent testing laboratories against technical standards that are among the most robust in the world.

The mission of the Gaming Board is to protect the integrity of the Gaming Industry by keeping it free from the influences of organized crime; by assuring the honesty, good character and integrity of all licensed operators and employees; and to ensure that Gaming is conducted fairly and in accordance with provisions of the aforementioned legislation and regulation.

Agency Reports



OFFICE OF THE ATTORNEY GENERAL

AML/CFT/CPF REPORT

Senator the Honourable Leo Ryan Pinder
Minster of Legal Affairs and Attorney General

The COVID-19 pandemic and post-pandemic period (March 2020 – December 2022) brought unprecedented challenges to the regulation of financial and non-financial services, particularly due to restriction on all face-to-face interactions, necessitating a shift to a fully online regulatory environment. This transition required adaptability and resilience during a time of global uncertainty. Despite these challenges, we successfully navigated the shift and fulfilled our international and domestic obligations, particularly within the evolving landscape of international financial regulations including those imposed on The Bahamas by supranational organisations such as the European Union (EU) and Financial Action Task Force (FATF).

The 2021 calendar year was particularly significant as The Bahamas assumed the role of Chair of the Caribbean Financial Action Task Force (CFATF). In addition to overseeing CFATF's operations, the country was responsible for addressing AML/CFT/CPF strategic deficiencies identified in the 2017 CFATF Mutual Evaluation. The country's Primary Contact for CFATF mobilised resources from eleven (11) public agencies and:



- Organized a series of consultations and meetings from May 2018 to December 2022 with public and private stakeholders responsible for maintaining the National Identified Risk Framework;
- Maintained ongoing communication and engagement with CFATF assessors;
- Submitted five follow-up progress reports to CFATF Plenaries; and
- Secured approvals from CFATF Members at plenaries over May 2018 –December 2022 period.

These coordinated efforts, combined with The Bahamas' commitment to aligning with international financial standards, culminated in technical upgrades to twenty-two (22) FATF Recommendations, thus achieving technical compliance in these areas. Consequently, The Bahamas achieved "compliant" and "largely compliant" ratings in all 40 FATF Recommendations, becoming the second country in the region and the sixth country in the FATF Global Network to achieve this incredible milestone. This

remarkable progress facilitated The Bahamas' removal from the FATF Grey List in December 2020.

In May 2020, The European Union (EU) placed The Bahamas on its Anti-Money Laundering blacklist. In response, The Bahamas engaged in continuous diplomatic and technical dialogue: Key actions included:

- Submission of two draft assessments for review between August 2020 and October 2021, along with responses to requests for supplemental information;
- Submission of the country's final response to EU Directorate General for [*Financial Stability, Financial Services, and Capital Markets Union \(DG-FISMA\)*](#) on 1 October 2021.
- Follow-up by the Office of the Attorney General with DG FISMA on 11 October 2021 and 15 December 2021 to obtain feedback on the final review; and
- Delisting of The Bahamas from the EU AML Blacklist following the adoption of the updated regulation on 7 January 2022.

From 2022 to 2023, The Bahamas has proactively ensured that its AML/CFT/CFP framework remains aligned with global standards through continuous reviews of legislation, enforcement, and regulatory regimes. Measures taken to address emerging challenges, mitigate risks, and close identified gaps include:

- Strengthening legal and regulatory frameworks to address evolving AML/CFT/CFP risks;
- Enhancing supervisory oversight and enforcement mechanisms across financial and non-financial sectors;
- Implementing risk-based approaches to monitoring and compliance;

- Conducting targeted outreach, training, and capacity-building initiatives for both public agencies and private stakeholders; and
- Maintaining robust engagement with international partners and standard-setting bodies to ensure ongoing alignment with global financial standards.

Memorandum of Understanding

In January 2020, a MoU was signed between the Ministry of Finance (MOF), the Office of the Attorney General (OAG) and the Office of the Director of Public Prosecutions (ODPP) for the exchange of information on tax matters. In March 2020, a further MoU was executed between the OAG, the ODPP and the Financial Intelligence Unit (FIU) to provide assistance in investigating potential tax offences where international requests lacked sufficient case information.

The MoU between the MOF, OAG, and ODPP facilitates information exchange among the parties where there is a reasonable suspicion of a tax offence, including but not limited to false declarations relating to the Common Reporting Standard (CRS) or the Economic Substance requirements. This supports the assessment of whether a criminal charge should be brought before in court. One such matter is currently under active review following reports of a possible tax-evasion scheme perpetuated by intermediaries acting on behalf of several foreign-owned companies. Investigations are ongoing and may result in criminal charges being against intermediaries and beneficial owners involved. This MoU strengthens the country's ability to identify, investigate and prosecute money laundering (ML) related to foreign tax crimes.

Following the signing of the MoU between the OAG, ODPP, and the FIU, a standard procedure was established for all incoming requests to the OAG's International Legal Cooperation Unit relating to tax

offenses. Requests found to lack sufficient information are forwarded to the FIU for database searches to identify relevant details. The results are then forwarded to ODPP for prosecutorial review. To date, two such cases are under consideration.

Beneficial Ownership Secure Search System

The Bahamas Parliament passed the Register of Beneficial Ownership Act, 2023 (BO Act). Section 3 of the BO Act applies to a legal entity incorporated, registered, continued, or otherwise established in accordance with the Companies Act and the International Business Companies Act, Chapters 308 and 309, respectively.

Key provisions include:

- 2019 Amendment: Expanded coverage to partnerships, non-profit organisations (NPOs) and segregated companies.
- Section 4: Requires the Competent Authority to establish a secure search system enabling each registered agent to maintain a database of the required beneficial ownership details of a legal entity for which it has responsibility.
- Section 9: Obligates all registered agents to maintain a database accessible through the secure search system.
- Section 18: Provides those legal entities and registered agent must comply with the BO Act within one year of its commencement (December 2019). The system became fully operational in 2020 but was temporarily suspended due to the COVID 19 pandemic. The Beneficial Ownership Secure System resumed operations in 2021 following the repeal emergency powers introduced during the pandemic.

United Nations Office on Drugs and Crime (UNODC) UNODC e-learning Platform

Capacity building and skills training of personnel involved in the combating ML/TF/PF remain major objectives of the IRF Steering Committee.

In May 2020, The Bahamas accepted the opportunity for personnel engaged in the implementation and maintenance of AML/CFT/CPF framework, to access the UNODC eLearning platform's thirteen (13) money laundering modules. Between 2020 and 2023 more than 100 participants successfully completed the modules, including:

- Supreme Court Justices and Magistrates
- Deputy and Assistant Registrar of the Supreme Court, Prosecutors from the ODPP
- Senior lawyers from OAG's International Legal Cooperation Unit
- Senior officers of the Royal Bahamas Defence Force, senior officers of The Bahamas Customs Department, Senior officials of the Registrar and Assistant General's Chief Compliance Officer, Chief Legal Counsel,
- Personnel from the financial regulators (CBB, SCB, ICB, GB and CC).

Legislative Amendments

Evidence Amendment Act 2022 – This amendment provided the use of video-link technology to be used in court proceedings to improve the efficiency of criminal case management. A video-link is defined as:

"A live television link, an internet link or any other arrangement that will allow the court and any of the parties involved, inclusive of the accused, the witness, any legal representatives, any court reporter and any interpreter or other person appointed to assist the accused or the witness, as the case may be, to engage in simultaneous visual and oral communication"

facilitated through the use of technology by the court”.

[Criminal Code Procedure \(Amendment\) Act 2022](#) – This amendment embedded the use of video-link option in criminal proceedings before the Court.

[Digital Assets & Registered Exchanges \(Amendment\) Act 2022](#) – The amendments enhanced and strengthened the Competent Authority’s enforcement powers.

- To compel persons to give information useful for investigations or carry out its functions.
- Court imposed penalties for persons being uncooperative with a summons were introduced into the law and bolstered the Competent Authorities ability to enforce its mandate.
- Compliance Orders to direct persons to comply with specific requirements, cease and desist non-compliant activity, or any digital activity.
- Substantive penalties for failure to comply with Compliance Orders.
- Provisions for Freeze Orders and conditions for application.

[Financial Transaction Reporting \(Amendment\) Act 2022](#)¹ – The amendments embedded the mandatory annual AML/CFT/CFP training by financial institutions and DNFBPs. Previously, they were embedded in the Financial Intelligence Unit Act 2000. Further, amendments strengthened the supervisory function of the Compliance Commission by the introduction of an administrative penalty process. Noteworthy was also the amendment to enhance the Compliance Commission’s ability to exchange information with partner authorities in other jurisdictions.

[Proceeds of Crime \(Amendment\) Act, 2022](#) – The amendments provided that:

“Any document or material obtained pursuant to a production order, shall be admissible in any court as prima facie evidence of the contents contained therein, and without further proving the authenticity thereof,”

Additional revisions were made to ensure full compliance with FATF Recommendation 19 that deals with “High Risk Countries” and provide clarity to a few ancillary matters.

[Anti-Terrorism \(Amendment\) Act, 2022](#) – Provisions added to clarify that financial institutions, director and employees are subject to administrative fines for non-compliance with the Act.

[Register of Beneficial Ownership \(Amendment\) Act, 2022](#) – The substantive amendments embedded an administrative penalty regime for non-compliance with the provisions of the Act.

[Financial Intelligence Act, 2023](#) – This Act repealed and replaced the 2018 legislation and strengthen the domestic cooperation provisions and enforcement powers of the FIU.

[Register of Beneficial Ownership \(Amendment\) Act 2023](#) – Expanded access to beneficial ownership information for Competent Authority under the International Tax Cooperation Act, the Automatic Exchange of Financial Account Act, the Multinational Entities Financial Reporting Act, and the Commercial Entities (Substance Requirements) Act.

[International Business Companies \(Amendment\) Act, 2023](#) – Demerger and continuation provisions.

¹ [Financial Transaction Reporting \(Amendment\) Act, 2025](#)

Exempted Limited Partnership (Amendment) Act 2023

– conversion provisions of ELPs to investment condominium.

Enforcement and Outreach Overview

Over the period 2021- 2023, the Financial Intelligence Unit (FIU) in conjunction with regulators, engaged industry professionals in training courses and seminars on topical AML/CFT/CFP sessions. More than 2,000 professionals were trained during these sessions. In addition, the FIU has held periodic ongoing meetings to discuss intelligence, trends, challenges and common issues with regulators, the Royal Bahamas Police Force, the Royal Bahamas Defence Force and the Departments of Customs and Immigration.

For the period of 2017 – 2022, a total of 2,771 financial crime cases were reported to the Royal Bahamas Police Force (RBPF) with an approximate value of \$34,619,649.00 (see OAG Chart 1: Value of Reported Financial Crimes 2017-2022)



Over the six years to 2022, the RBPF was successful in investigating and forwarding cases for prosecution. Prior to the Proceeds of Crime Act, 2018, only four money laundering cases were prosecuted. Over the period reviewed, there were 141 money laundering cases prosecuted [See OAG Table 1]. Please see below statistics on prosecutions and convictions.

OAG Table 1: Bahamas Money Laundering Statistics RBPF							
Bahamas Money Laundering Statistics (RBPF)							
	2017	2018	2019	2020	2021	2022	Total
Amount of Cases/Prosecutions	4	46	20	24	27	20	141
Amount of Case Convictions	3	30	13	7	11	2	66
Total Persons Charged	10	72	47	59	51	25	264
Total Persons Convicted	5	44	30	15	11	3	108

Conclusion

The Bahamas continues to enhance its AML/CFT/CFP regime as the goal post continues to shift in the international standards for combatting ML/TF/PF. Despite the shifting global requirements, the country is committed to addressing any deficiencies that have emerged, particularly in light of: a) recent revisions of the FATF Recommendations, b) achieving the milestone of 40 for 40 compliant ratings with the FATF Recommendations in 2022; and c) the significant progress made in addressing the strategic AML/CFT/CFP deficiencies identified in the 2017 CFATF Mutual Evaluation Report.

The Bahamas' Identified Risk Framework Steering Committee is focusing its efforts on preparing the country to successfully meet the challenge of the 5th Round CFATF Mutual Evaluation in 2026. To this end, National Money Laundering/Terrorist Financing Risk Assessment is currently being finalized and plans are underway to conduct a National Financing Proliferation of Weapons of Mass Destruction Risk Assessment. The Bahamas is committed to adhering to AML/CFT/CFP international best practices on anti-money laundering and the countering the financing of terrorism and proliferation financing.



CENTRAL BANK OF THE BAHAMAS

AML/CFT/CPF REPORT

John Rolle

Governor, Central Bank of The Bahamas

The Central Bank of The Bahamas is the principal regulator for banks, trust companies, co-operative credit unions, non-bank money transmission businesses, payment service providers, private trust companies, and their registered representatives (see CBB Table 1: Supervised Financial Institutions (SFIs) as at 31 December 2023).

CBB: Table 1: Supervised Financial Institutions as at 31 December 2023			
Supervised Financial Institutions:	2021	2022	2023
Banks and Trust:	214	202	197
• Banks	22	21	20
• Banks and Trust Companies	50	46	46
• Trusts	142	135	131
Private Trust Companies (PTCs) (Registered)	140	155	169
Non-licensor Registered Representatives	6	7	8
Licensor Registered Representative	23	22	22
Cooperative Credit Unions	10	8	8
Payment Service Providers:			
Non-Bank Money Transmission Businesses	5	5	5
Non-Bank Money Transmission Agents	20	18	19
Money Transmission Branches	98	51	45
Payment Service Providers	3	3	3
Payment Service Agents	8	8	14

Building on its established Risk-Based Supervisory Framework (RBSF), over the period 2021–2023, the Central Bank continued to enhance its supervisory oversight for anti-money laundering, countering the financing of terrorism, and countering proliferation financing (AML/CFT/CPF).

Key enhancements during this period included:

- Refined risk assessment protocols and guidance;



- Expanded data collection, analysis, and reporting for AML/CFT/CPF oversight;
- Enhanced on-site and off-site supervisory engagement with SFIs;
- Improved alignment with evolving international standards and FATF/CFATF expectations; and
- Strengthened tools and methodologies for risk-based supervision alongside proportionate enforcement of compliance obligations.

These initiatives reflect the Central Bank's commitment to maintaining a robust, adaptive, and internationally credible supervisory regime.

Overview of Risk-Based Supervision Supervisory Effectiveness

The Central Bank's risk-based supervisory framework relies on timely and proportionate intervention to address deficiencies in AML/CFT/CPF risk management across SFIs. Supervisory tools are tiered based on the severity of identified issues:

- Directives address the most urgent and serious deficiencies, requiring immediate corrective action by SFIs.
- Requirements identify less urgent, yet still significant, deficiencies where the Bank may exercise statutory powers to ensure resolution.
- Expectations provide advisory guidance, encouraging SFIs to implement improvements before issues escalate into more serious gaps.

Between 2021 and 2023, the Central Bank continued building on its robust AML/CFT/CPF supervision across all categories of SFIs. The total number of supervisory requirements ranged from 57 to 67 per half-year period, reflecting ongoing identification and remediation of compliance gaps.

Notable sectoral trends included a decrease in requirements issued to domestic banks, from a peak of 26 in March 2022 to 8 in September 2023, while domestic non-bank SFIs saw an increase, reaching 32 by September 2023, indicating a heightened supervisory focus. Requirements for international home offices gradually declined from 36 in September 2021 to just 3 in September 2023, whereas the imposed obligations for international host entities remained relatively stable, averaging between 8 and 16 per period.

The trends in AML/CFT/CPF supervisory requirements are summarized in CBB Table 2 (Supervisory Requirements 2021-2023), which provides a half-yearly breakdown by sector and highlights the evolving focus of supervisory oversight.

AML/CFT	Domestic Bank	Domestic Other	Int'l Home	Int'l Host	TOTAL
Mar'21	14	19	22	8	63
Sep'21	18	3	36	8	65
Mar'22	26	0	28	3	57
Sep'22	23	0	21	16	60
Mar'23	18	24	10	15	67
Sep'23	8	32	3	16	59

Looking forward, the Bank is developing an AML/CFT/CPF Supervisory Ladder of Intervention, informed by internal gap assessments, to provide a structured framework for staged remedial action based on the severity of deficiencies identified in AML/CFT/CPF examinations. This Ladder will complement existing tools, enhance transparency, and support consistent, proportionate, and risk-based supervision across the financial sector.

Risk-Based Supervision

The Central Bank sustained its efforts to collect and review ML/TF/PF risk assessments from Supervised Financial Institutions (SFIs) to identify gaps and strengthen risk management practices. SFIs submitted assessments, which were evaluated against the Central Bank's ML/TF/PF Risk Assessment Guidance Notes, the National Risk Assessment, and industry expectations. Effective assessments are expected to include: methodology, risk appetite, detailed evaluation of inherent and residual ML/TF/PF risks and mitigating controls.

Ongoing engagement with SFIs include the following:

- Annual Industry Briefings which highlighted AML/CFT/CPF initiatives and disseminated related guidance.
- A fourth quarter 2022 Industry Briefing, clarifying minimum expectations for ML/TF/PF risk assessments.
- A first quarter 2023 Guidance Notes issuance, providing detailed instructions for preparing compliant risk assessments.

In 2023, the Central Bank issued two key Guidance Notes:

- [Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment Guidance Notes](#), which supplemented Section 25 of the Guidelines for Supervised Financial Institutions on the Prevention of Money Laundering, Countering the Financing of Terrorism, and Proliferation

Financing to strengthen risk identification, mitigation and remediation measures.

- [Enterprise Risk Management Guidance Notes](#) to support enterprise-wide practices to enhance financial crime controls.

Supervision activities for banks and trust companies remained focused on offsite surveillance, onsite reviews, exit interviews and examinations meetings with Compliance Officers and Money Laundering Reporting Officers. The Central Bank also maintained its engagement with credit unions, non-bank money transmission businesses and payment services firms monitoring remediation undertakings to strengthen risk management systems in order to counter financial crimes. Overall, key trends observed amongst SFIs were improved risk assessment quality, stronger focus on residual risks and enhanced enterprise-wide controls.

Looking forward, the Central Bank will continue to refine the Risk-Based Approach, provide guidance and monitor the adoption of the 2023 guidance notes.

AML/CFT/CPF Data Returns

The Bank sustained its data collection efforts on SFI's risk management practices and experiences. Annual AML Data Returns ("the AML Data Returns") were collected from Banks & Trust Companies, Credit Unions, Non-Bank Money Transmission Businesses and Electronic Money Service Providers. The data received was analysed and consolidated findings were used to supplement ongoing supervisory monitoring and on-site examinations AML/CFT/CPF focused reviews.

Of significance, the AML Data Returns confirmed that banks and trust companies in the domestic sector had a lower concentration of assessed high-risk customers (less than 2% of accounts) in contrast to a high-risk profile of approximately 17 percent of customer accounts in the international sector. Meanwhile,

significant improvement was reported across all SFIs regarding AML/CFT/CPF staff and director training, as well as a reduction in the time taken to report suspicious transactions and activity to the FIU.

International Obligations and High-Risk Jurisdictions

As regard, The Bahamas' international sanctions obligations and related risk guidance in alignment with the Central Bank's undertakings, remained closely coordinated with the Office of the Attorney General (OAG) and the National Identified Risk Framework Coordinator (NIRFC). From 2021–2023, through its website and direct communications channels, the Bank promptly disseminated advisories to its SFIs, including 51 UN Security Council sanctions notices and 8 FATF high-risk jurisdiction notices. Compliance with these circulars was monitored through the return confirmations issued by SFIs, and the annual declarations made to the Central Bank's supervisory. The Central Bank's examination process also inspected the adequacy of SFIs screen ongoing transactions against sanctions lists.

External Engagement

The Central Bank maintained active engagement with domestic, regional, and international counterparts to strengthen supervision and promote adherence to global standards during 2021–2023. These engagements support regulatory coordination, knowledge sharing, and evidence-based supervisory policies:

Key initiatives included:

- Participation in The Bahamas' Identified Risk Framework (IRF) Steering Committee, contributing to national ML/TF/CPF risk assessment and mitigation strategies.
- Convening of the Annual International Research Conference on Empirical Approaches To Anti-

Money Laundering and Financial Crime² (“the Conference”), in partnership with the Inter-American Development Bank (IDB). Alongside academic researchers, the conference engages high-level participation from the FATF Secretariat, the CFATF, El Grupo de Acción Financiera de Latinoamérica/Financial Task Force of Latin America (GAFILAT) Secretary, the IMF; and a cross-section of international regulatory and enforcement practitioners.

- Engagement of an independent consultancy group to conduct a “shadow shopping” exercise to evaluate the banking and trust sectors’ counter-posture to money laundering in their onboarding practices/procedures. The results of the exercise published in 2023 affirm exceptionally high resistance among internationally active banks and trusts companies in The Bahamas to onboard clients who outwardly professed opaque intents in regards to international tax compliance or who might have intended to benefit from diluted risk-based due diligence processes..
- Relocation of AML/CFT/CPF information and resources to a dedicated section of the Central Bank’s website. This has improved the accessibility of guidance, publications, and regulatory materials to industry stakeholders.

Supervisory Capacity-Building

The Central Bank furthered its investment in staffing, training and other resourcing initiatives to strengthen supervisory capacity.

Key activities included:

- World Bank training and workshops on the National Risk Assessment, supporting

comprehensive understanding of financial crimes risks.

- Royal United Services Institute (RUSI) workshops on proliferation financing, in collaboration with United Nations on Drugs and Crime (UNODC), improving capabilities to identify and mitigate emerging risks.
- CFATF Plenary and Working Group meetings, and FATF Assessor training, strengthening understanding of FATF standards and regional risk trends. Central Bank representatives participated in plenary sessions, working group meetings, and follow-up assessor reviews.
- ACAMS certification programs, furthering professional knowledge and practical supervisory skills.

These initiatives further equipped the Central Bank’s staff to apply risk-based supervisory approaches, enhance oversight, and respond effectively to evolving risks in both domestic and cross-border contexts.

Supervisory Examinations

The examinations for financial crimes risk management compliance is embedded in the Central Bank’s overall templates, which includes the frequency, scope and depth of reviews tailored to the superiority risk profiled of respective licensees.

During 2023, the Central Bank conducted 15 onsite examinations including 2 first-time assessments, 1 related to the review of the loan portfolio of a local subsidiary of an SFI on behalf of its home country regulator (see CBB Table 3: On-site Examinations). A primary focus of most examinations continues to be ML/TF/PF risks, followed closely by corporate governance. The Bank issued reports on all

² Formerly Bahamas AML/CFT Empirical Research Conference

examinations that were conducted. In 2021 and 2022, a respective total of 11 and 16 examinations were done.

CBB: Table 3: On-site Examinations Conducted

Supervised Financial Institutions	2021	2022	2023
Examinations			
Domestic Licensees	2	1	0
Other Licensees			
Follow-up/Special Focus	8	8	9
Regulated Initiated	1	3	1
Discovery Reviews	0	2	0
Cooperative Credit Unions	0	2	2
Electronic Money Service Providers	0	0	2
Money Transfer Business	0	0	1
Total	11	16	15
Examinations Reports			
Finalised Reports	12	12	14
Reports in Progress	1	0	0
Total Examination Reports	13	12	14

Transforming Supervision through Technology

The Central Bank has steadily increased its reliance on technology to monitor AML/CFT/CPF risk management practices. Such efforts focus on enhancing data collection, analytics, and risk assessment capabilities. A key component of this work was the steps taken during 2022 through 2023 to replace the existing semi-automated, in-house system with a fully automated AML risk solution.

Notable features of the solution include:

- Alignment with FATF recommendations and international standards
- Reduced manual processes and improved data analysis, reporting and transparency
- A secure, configurable, and user-friendly platform that supports supervisory workflows
- Integration with the Central Bank's business intelligence and data analytics environment
- Strengthened collaboration across departments and with external stakeholders

Forward Looking

Moving forward, technology will play an expanding role in the Central Bank's risk-based supervisory

framework with the implementation and operationalizing of the AML risk assessment system. It will increase the Central Bank's capacity to collect data on risk management practices within SFIs; strengthen peer-level assessment process, and enable more effective monitoring of remediation activities. In the meantime, as the Central Bank consolidated the surveillance of cross-border payment flows advances, it will provide enhanced inputs to the national risk assessment, and where merited increased proportionality in the application of compliance and due diligence standards for SFIs. Further, while improved risk management practices and compliance are already notable within all supervised sectors, the Central Bank further increased and sustained its oversight of the non-bank and payment institutions. This targeted supervision is designed to particularly support tailored compliance outcomes, therefore, boosting foster financial inclusion and suppressing the size of the informal economy.



SECURITIES COMMISSION OF THE BAHAMAS

AML/CFT/CPF REPORT

Christina Rolle
Executive Director

Overview of SCB AML/CFT Initiatives: 2021-2023

The Securities Commission of The Bahamas (SCB) has made substantial progress in strengthening its legal and regulatory framework for AML/CFT/CPF, reinforcing its commitment to safeguarding and upholding the integrity of the financial system and markets under its supervision. Through these advancements, SCB seeks to fortify defences against misuse and abuse and the infiltration of illicit funds, ensuring a resilient and transparent regulatory environment.

Despite the COVID-19 pandemic and the aftermath of its ensuing conditions, SCB remained committed to the enhancement of AML/CFT/CPF compliance within capital markets, investment funds, digital asset businesses and financial and corporate service providers operating in or from within The Bahamas. SCB administers the Securities Industry Act, 2011 (SIA), the Investment Funds Act, 2019 (IFA), and the Financial and Corporate Service Providers Act, 2020 (FCSPA) and the Digital Assets and Registered Exchanges Act, 2020 (DARE).



As of December 31, 2023, SCB oversaw and supervised 1,645 entities licensed or registered under its respective legislative frameworks (see SCB Table 1).

SCB Table 1: Licensees/Registrants of SCB as at 31 December 2023			
License/Registration Category	2021	2022	2023
SIA			
Securities Firms	167	176	177
Securities Individuals	564	741	455
IFA			
Investment Fund Administrators	45	46	44
Investment Funds	683	682	659
FCSPA			
Financial and Corporate Service Providers	246	271	292
DARE			
Digital Assets and Registered Exchanges	3	10	18
Total Entities Supervised	1,708	1,926	1,645

Strengthening the assessment and understanding of ML/FT/PP risks

AML/CFT/CPF related work continues to be a crucial element of SCB's risk-based regime and a focus area for the Commission's overall supervisory framework.

In 2021, SCB conducted a desk-based thematic review of all registrants and licensees in relation to Common Reporting Standards (CRS) - proper tax filing (tax evasion/avoidance) to assess whether entities posed a potential risk to the jurisdiction due to improper, inadequate, or absent tax reporting. Particular attention was given to complex structuring, which could obscure the reporting obligations of licensees and registrants. Other key priorities included:

- (i) Business Continuity/Disaster Recovery (BCP/DR) – SCB examination programs include a review of disaster recovery plans to test the robustness of the securities sector in the aftermath of various disaster scenarios. In 2021, examinations focused on: operational capacity and contingency planning; record retention with emphasis on wireless restoration and client access to data during downtime; safeguards for clients' privacy with electronic security of client information, including encryption policies, data management and accessibility; data protection; and proper configuration of network storage devices; and
- (ii) Advisory fees and valuations for investment funds – Examinations reviewed disclosures related to fees and valuation controls and practices. Emphasis was placed on the valuation of client assets, due diligence, the oversight of investment managers, and how fees are calculated, tested and monitored to ensure accurate reporting to investors.

Fortifying the AML/CFT/CPF Framework

In 2020, The Bahamas established a framework for the regulation of digital asset business. This framework facilitates the registration and ongoing monitoring of digital token exchanges, initial token offerings as well as other digital asset businesses such as advising and management of digital assets. The

provisions set out in DARE are based on capital markets regulatory standards and general consumer protection principles. The framework was designed to give SCB broad regulatory powers and flexibility to address a very dynamic space as the Commission contemplated that the framework would evolve alongside market developments as new products and risks emerge.

Financial Transactions Reporting Act, 2018

SCB addressed identified AML/CFT/CPF legislative deficiencies primarily through amendments to the Financial Transactions Reporting Act, 2018 (FTRA), a key regulatory framework for financial institutions in The Bahamas. In November 2020, through corrigenda passed to correct the Digital Assets and Registered Exchanges Act 2020, the FTRA was amended to incorporate digital asset businesses within the definition of 'Financial Institution' for the purposes of the FTRA, thereby extending the core AML/CFT/CPF framework to digital asset businesses, requiring the application of AML/CFT/CPF standards for monitoring, risk assessment, and compliance measures, among other objectives are applied to digital asset businesses.

DARE Amendment Act 2022

In April of 2022, SCB commenced its initiative to review and update the DARE legislation, based on its growing experience in the space and its observations from the fallout of the then deepening "crypto winter". Some of these observations included emerging risk areas, such as those connected with algorithmic stable coins, mining, and staking as a business. This review and assessment contributed greatly to the amendments to the DARE legislative framework and speaks to SCB's intention to ensure that the DARE framework remains innovative but also reflective of the evolving and emerging risk trends in the crypto industry. In May 2022, the DARE

(Amendment) Act, 2022, was passed. The amendments to the legislation expanded SCB's regulatory, cooperative and enforcement powers with respect to digital assets and addressed deficiencies noted in the jurisdiction's assessment by CFATF, particularly the revised Recommendation 15. The changes made to the DARE regulatory framework were critical and contributed to The Bahamas achieving a "Compliant" rating with Recommendation 15 of the FATF Recommendations.

DARE AML/CFT/CPF Rules, 2022

In the first quarter of 2022, the anti-money laundering/countering terrorism and proliferation financing (AML/CFT/CPF) framework for digital assets and digital asset businesses was codified under bespoke Rules for digital assets, namely the Digital Assets and Registered Exchanges (Anti-Money Laundering and Countering the Financing of Terrorism) Rules, 2022, which are specific to registrants and licensees under the DARE Act. Prior to these Rules, digital asset businesses, which were defined as financial institutions under the amendments to the FTRA in April 2021, were subject to the overarching anti money laundering, countering of financing of terrorism regime established by the FTRA, 2018. The DARE (AML/CFT/CPF) Rules, 2022 establishes standards bespoke to digital assets to support the general AML/CFT/CPF framework of the FTRA, 2018.

Digital Asset Service Providers ("DASP") Thematic Review

In 2021, to robustly assess and understand the risks posed by the digital asset space and mitigation measures implemented by DASPs and other stakeholders, SCB conducted an industry wide thematic review of DASPs. The DASP thematic review was developed based on the principles and standards for digital assets established by the International

Organization of Securities Commissions ("IOSCO") and the Financial Action Task Force ("FATF") Recommendations and requirements. SCB distributed the DASP thematic review survey to registrants and potential registrants of DARE and FCSPA, think tanks, business accelerators, and industry experts. The survey covered the FATF's "Travel Rule" Requirements; internal systems and controls; transaction and client monitoring; proposed future plans; identification of other key risks and threats; and identifying and assessing the quality of implemented mitigation measures.

Additionally, in 2021, the SCB generated a research paper which featured benchmarking for ongoing reporting requirements for digital asset businesses. The key conclusions of the paper formulated the basis for amendments to the DARE Act, addressing requirements for ongoing reporting obligations for digital asset businesses to the Commission.

Virtual Asset Service Providers ("VASP") Risk Assessment

The results of the DASP thematic review informed the SCB's 2022 national sectoral risk assessment on virtual assets (VA) and VASPs. SCB conducted a VASP National Risk Assessment (NRA) in accordance with the FATF's standards that recommend that countries identify, assess and understand their VA and VASP exposure to ML/TF/PF risks. As part of the VASP NRA assessment, SCB created and disseminated surveys and interviewed VASPs registered to operate in The Bahamas. Based on the results of the survey and the interviews, and in accordance with the World Bank's NRA Methodology, VAs and VASPs were assigned a ML/TF risk rating which formed the basis of SCB's VASP NRA report. The report ultimately assessed the VA and VASP risks within the jurisdiction as low.

Travel Rule Compliance

The Travel Rule is a key AML/CFT/CPF measure, which prescribes how traditional financial institutions, as defined by the FATF, should implement policies and procedures that mitigate against the threat of criminals using electronic wire transfers as a tool to launder money or engage in other illicit activities. The FATF provides bespoke guidance to VASPs, entities not initially captured under the Rule, as to how they should obtain, hold, and exchange information about the originators and beneficiaries involved in virtual asset wire transfers. The existing 'Travel Rule', applicable in The Bahamas was assessed and amendments necessary to apply wire transfer framework to Digital Asset Businesses were made in the Financial Transactions Rereporting (Wire Transfer) (Amendment) Regulations 2022.

New Technology-DARE Developments 40 out of 40 FATF Compliant

The Bahamas was rated compliant or largely compliant with 40 of 40 FATF Recommendations in December 2022, after having received upgraded ratings to compliant for technical compliance with CFATF's Recommendations 8 and 15, which address non-profit organizations and new technologies respectively. The Bahamas has and continues to commit to implementing and maintaining an appropriate and effective AML/CFT/CPF regime inclusive of the implementation of a vigorous AML/CFT/CPF framework, a National Risk Assessment Framework, and AML/CFT/ CPF Guidance Notes and industry training outreach.

Industry Communications & Activities

To further support the DASP regulatory framework, SCB finalized various digital-asset related policy guidance, guidelines and notes. These included: a digital asset policy statement (DAPS), "The Bahamas' Approach to Digital Asset Regulation" (published in

September 2022); DARE Act Frequently Asked Questions (FAQs) Fact Sheet; Compliance Guide for the "Travel Rule", as recommended per the FATF (Recommendation 16); and White Papers outlining potential new and/or amended ongoing requirements for digital asset businesses.

- i. The Digital Asset Policy Statement is geared toward assisting in the identification and understanding the inherent risks associated with digital assets and digital asset businesses. It explains the SCB's considerations in developing the existing digital asset regulatory framework, including examining the risks and threats associated with digital asset activities, and assessing the respective measures to mitigate those activities; it describes SCB's digital asset regulatory philosophy, clarifies the registration and supervision process for DABs, outlines SCB's future legal and regulatory considerations for the regulation of digital assets, and assists prospective and current DABs with understanding and complying with SCB's regulatory requirements, including the registration process and adhering to ongoing monitoring requirements.
- ii. DARE Act Frequently Asked Questions (FAQs) toolkit was developed as a companion to the digital asset policy statement, which answers frequently asked questions from the public on matters relating to digital asset policy and regulation including physical presence requirements; regulatory capital requirements; application (registration and/or licensing) processes and requirements; AML/CFT obligations; regulatory obligations for non-fungible tokens and staking activities.
- iii. The D3 Bahamas Web3 and FinTech Conference (D3 Bahamas), held in partnership with the Government of The Bahamas in October 2023,

solidified the nation's reputation as a progressive and forward-thinking financial hub. The event provided SCB with a platform to showcase the strength of its digital assets legislation and highlight the proposed amendments in the DARE Bill, 2023.

Recognizing that a highly skilled workforce is fundamental to The Bahamas' success as a premier financial jurisdiction, SCB has invested in an exclusive five-year licensing agreement to offer the University of Cambridge's proprietary FinTech and Regulatory Innovation program at the University of The Bahamas. This initiative aligns with SCB's strategic commitment to fostering expertise in digital assets through targeted educational opportunities. The official signing of this landmark collaboration on the opening day of D3 Bahamas marked the culmination of a year-long negotiation. The event was honoured by the presence of the UK High Commissioner to The Bahamas, Cambridge program directors, as well as the Chair of UB's Board of Trustees and the Provost, underscoring the significance of this milestone for financial education and regulatory excellence in the region.

Money Lenders Survey

SCB issued a money lenders survey to firms licensed under the FCSPA, 2020. The survey addresses non-bank money lenders services within The Bahamas. The purpose of the survey was to gather data and information that is not typically collected by SCB in exercising our statutory mandate to regulate FCSPA licensees. The survey data and information will be collected and analysed with the aim of enhancing regulatory strategies and consumer protection in the non-bank money lending sector of The Bahamas.

Beefing up CPF

In August 2018, the Group of Financial Services Regulators (GFSR) issued a Guidance Note on

Proliferation and Proliferation Financing (the Guidance Note) for the financial services industry. The Guidance Note, among other things, defined proliferation financing, described the proliferation financing regulatory framework in The Bahamas, and outlined the international standards and obligations relevant to combating proliferation financing risks within The Bahamas that financial services registrants and licensees were required to adhere to when engaging in business activities. In October 2020, the Financial Action Task Force (FATF) updated its Proliferation Recommendations. Consequently, in 2023, SCB led an inter-agency working group to update the Guidance Note, in accordance with FATF's updated standards. The updated Countering Proliferation Financing (CPF) Guidelines:

- i. Define Proliferation and Proliferation Financing (PF) and provides guidance on how registered entities should implement the updated PF recommendations in their CPF mitigation risk framework;
- ii. Explain PF risks and key indicators, particularly regarding new and novel businesses and technologies such as digital assets;
- iii. Describe the importance of financial services regulators in the jurisdiction in identifying and combating PF; and
- iv. Provide sector specific guidance for applicable sub-sectors of the financial services industry in The Bahamas, including gaming, crowdfunding, digital assets, and insurance. The Guidance Note and accompanying summary note were published to the websites of GFSR members during the first half of 2025.

The International Obligations (Economic and Ancillary Measures) Act, 2018 (IOEAMA)

The International Obligations (Economic and Ancillary Measures) Act (IOEAMA) provides for the application of economic sanctions and the implementation of ancillary and countermeasures as internationally required, as well as operationalizes the international obligations of The Bahamas. In accordance with the requirements of IOEAMA and the Anti-Terrorism Act and Regulations 2018, SCB issues notices of United Nations Security Council (UNSC) resolutions, relevant annexes, schedules, and amendments thereto, to licensees and registrants for appropriate action. Additionally, in accordance with the requirements of IOEAMA, SCB issues notices of unilateral sanctions imposed by foreign states against a person or another foreign state pursuant to an Order by the Governor General or a Directive from the Attorney General. SCB monitors the compliance of licensees and registrants with required actions through an initial confirmation of compliance, due within 30 days of the issuance of a notice by SCB, quarterly confirmations of compliance, as well as annual declarations of compliance, as a component of its supervision and onsite examination regimes. SCB disseminated 25 IOEAMA UNSC resolution notices in 2023 (see SCB Table 2).

SCB Table 2: Disseminated IOEAMA UNSC Notices	
Disseminated IOEAMA UNSC Resolution Notices	
Year: 2021	26
Year: 2022	24
Year: 2023	25

The SCB as a member of GFSR contributed to finalising guidance and standardized reporting forms for licensees on UNSC Sanctions to coordinate regulatory reporting requirements for licensees.

AML/CFT/CPF Enforcement

SCB has placed a strong emphasis on deepening its understanding of AML/CFT/CPF deficiencies identified through on-site examinations. Year-over- year trends from 2021 to 2023 indicate persistent and escalating breaches among registrants and licensees. In response, SCB has undertaken a comprehensive review of industry AML/CFT/CPF procedures and practices, implementing financial penalties for violations. SCB remains vigilant in monitoring compliance failures and will mandate appropriate remediation.

In November 2022, the collapse of FTX Digital Markets, at the time one of the world’s largest crypto-broker-dealers, underscored the importance of robust regulatory oversight. FTX faced a liquidity crisis, to which SCB responded swiftly, exercising its regulatory authority to freeze and secure client assets. This initiating a sequence of events that reverberated throughout the global crypto industry. This crisis served as a critical test of the DARE Act, 2020 and SCB’s ability to deploy enforcement measures under extreme conditions. The incident reaffirmed the resilience of The Bahamas’ digital asset regulatory framework, demonstrating SCB’s capacity and willingness to act decisively in protecting investors and safeguarding assets within its jurisdiction.

Emerging from the challenges of 2022, SCB remained steadfast in its commitment to market integrity throughout 2023. Early in the year, a supervisory review identified corporate governance irregularities at ArawakX, an equity crowdfunding platform. In September 2023, SCB petitioned for its provisional liquidation, securing approval in November. While this development marked a setback in the growth of the domestic capital markets, it reinforced SCB’s

dedication to investor protection and the long-term credibility of The Bahamas as a financial jurisdiction

The Way Forward

The SCB recognizes that providing registrants and licensees with up-to-date information and training, coupled with strategic disincentives for non-compliance, and a clear regulatory framework are necessary tools in strengthening regulatory adherence. These measures serve as powerful tools to enhance investor protection, uphold market integrity, and mitigate systemic risks. SCB is committed to ensuring that its AML/CFT/CPF focus is evidenced through the guidance it issues, how it communicates with registrants and licensees regarding money laundering and terrorist financing risk and regulatory requirements, as well as the review and updating of attending policies, procedures, practices and legislation as appropriate.

With regard to DARE, SCB developed a proposed DARE Bill, 2023 which, given the significance of the changes, implementing the new Act required repealing DARE 2020. The revised legislation prioritizes consumer and investor protection, with SCB, in collaboration with Hogan Lovells (UK), ensuring alignment with international standards and best practices. Extensive efforts were made to review consultation feedback, resulting in a modern, competitive legislation that includes one of the world's most progressive staking regimes and a robust stable coin framework. Looking ahead, SCB plans further regulatory enhancements to address emerging risks in digital assets, including potential amendments to stable coin regulations, the consideration of a framework for NFTs, guidance on digital asset staking, and improved safeguards for client asset custody by exchanges and custodians.

SCB also overhauled and updated the Securities Industry Act, 2011. The Securities Industry Act, 2024 was passed by the Parliament of The Bahamas in July of 2024. The SCB has gained practical insight into the positive impact of supporting registrants and licensees with current information and training, along with the application of appropriate disincentives for noncompliance. The Securities Industry Act, 2024 ensures that the securities regulatory framework remains robust for governing registrants and licensees, and compliant with global standards. It provides a framework for the management of systemic risks, enhances SCB's enforcement framework, particularly its ability to apply sanctions for administrative infractions without a hearing, provides tipping off provisions for registrants, incorporates various international developments in AML/CFT/CPF regulation and ensures compliance with the FTRA 2019, the Proceeds of Crime Act, 2018 and the Anti-Terrorism Act, 2018. It also introduces a framework for derivatives.

The SCB remains strategically committed to further enhancing its AML/CFT/CPF regulatory framework, as necessary to ensure that identified deficiencies and emerging risks are effectively addressed across all sub-sectors under its regulatory remit.



THE INSURANCE COMMISSION
OF THE BAHAMAS

THE INSURANCE COMMISSION OF THE BAHAMAS

AML/CFT/CPF REPORT

Dana Munnings-Gray
Superintendent of Insurance

During the period 2021-2023, the Insurance Commission of The Bahamas (the Commission) intensified its efforts to strengthen supervisory oversight of money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks within the domestic and external insurance sectors.

The Commission conducted a comprehensive sector-wide Risk Assessment to evaluate the risks of money laundering, terrorist financing, and proliferation financing (ML/TF/PF) within the insurance industry. Through a risk-based approach, the Commission employed advanced monitoring tools to effectively assess the anti-money laundering (AML), counter-terrorism financing (CFT), and counter-proliferation financing (CPF) risks posed by insurers. A key component of this initiative was the implementation of the Online Risk-Based System (ORBS), which streamlined data collection, analysis, and monitoring processes. ORBS enhanced the Commission's ability to identify and mitigate risks by providing real-time insights and facilitating more targeted regulatory oversight across the sector.



Inaugural Salesperson Refresher Training

In December 2023, the Commission hosted its inaugural salesperson refresher training course, which attracted approximately 300 participants from the insurance industry. The training featured collaboration with the Financial Intelligence Unit (FIU), focusing on the latest typologies in anti-money laundering (AML), terrorist financing (TF), and proliferation financing (PF), as well as the specific impacts of these risks on The Bahamas' insurance sector. The event was highly successful and received positive feedback from attendees. As a result, the Commission plans to make this an annual training initiative, further strengthening the industry's capacity to address emerging financial crime risks.

The AML/CFT/CPF Questionnaire/Risk Assessment

The industry's responses offered valuable insights into how it is addressing several key risk factors. These included the characteristics of each entity, such as company size, organizational structure, and overall risk tolerance. Insurers also shared details about the types of products and services they offer, including

premium values and specific features that might elevate risks related to anti-money laundering, countering the financing of terrorism, and counter-proliferation financing (AML/CFT/CPF). Furthermore, the responses provided information on client relationships, including the number of clients and their associated risk profiles, as well as the geographic reach of insurers, with particular attention to any links with high-risk countries. Insurers also outlined the delivery channels used for distributing products, highlighting the methods and platforms that could potentially affect their risk exposure.

Future Direction

Looking forward the Commission's ideal AML/CFT/CPF framework for the insurance sector is one that is comprehensive, risk-based, and adaptable. This means one that establishes clear guidelines and regulatory requirements that would ensure all licensees, regardless of size, nature or complexity, implementing effective measures to identify, assess, monitor, and mitigate money laundering, terrorist financing, and proliferation financing risks. This framework would include robust risk assessment protocols tailored to the specific nature of each licensee's operations, ensuring that higher-risk entities are subject to enhanced due diligence and monitoring.

The framework would also require licensees to ensure accurate reporting and timely submission of suspicious transaction reports (STRs) and other relevant filings, supported by automated systems to enhance the efficiency of data collection and analysis. Regular reviews, on-site and off-site examinations would be conducted to ensure compliance, with penalties for non-compliance clearly outlined. Ongoing training and education for both supervisors and licensees would be integrated to ensure that

evolving risks and regulatory changes are effectively addressed.

Moreover, the framework would emphasize collaboration between the supervisory authority, other regulatory bodies, and international organizations to maintain a cohesive approach to AML/CFT/CPF enforcement. By leveraging technology, the Commission would utilise real-time data analytics tools, allowing for dynamic and risk-based oversight that adjusts to emerging threats and trends within the industry. Overall, the framework would strike a balance between stringent regulatory oversight and practical, scalable measures for licensees to implement.



The Compliance Commission
of The Bahamas

COMPLIANCE COMMISSION OF THE BAHAMAS

AML/CFT/CPF REPORT

Andrew Strachan

Inspector, Compliance Commission of The Bahamas

The Financial Action Task Force (FATF) in a report on “Gatekeepers Technical Compliance Related to Corruption”³ highlights the importance of applying AML/CFT measures to lawyers, accountants, real estate agents and trust & company service providers. (Designated Non-Financial Businesses & Professions – DNFBPs) These professions are often referred to as gatekeepers. The individuals and firms in these sectors are an entry point to the financial system and should act as a line of defense against the infiltration of dirty money into the legitimate economy and should never cross the line into conspiring with others to commit offenses. Gatekeepers have specialized knowledge that can be used to facilitate the movement of money and conceal involvement in illicit schemes. To minimize these risks and vulnerabilities the FATF, which sets the international standards for combatting money laundering, terrorist and proliferation financing require countries to apply AML/CFT measures to these professionals.

In The Bahamas, gatekeepers are covered by a comprehensive AML/CFT/CPF framework and require measures to prevent, identify and report on



suspicious of financial crime. The Commission supervises DNFBPs including accounting firms, law firms, real estate brokers & land developers, dealers in precious metals & stones, pawn shops (DPMS), persons acting in the capacity of trustees and designated Government Agencies. The DNFBPs supervised are listed in section 32(2) and provide the prescribed financial services pursuant to Section 4 of the FTFA 2018. The chart below (Commission Chart 1: Registration Growth 2021-2023) illustrates the growth in registration led by law firms, real estate companies and DPMS.



³ FATF 2024 Report

The Commission's mandate is to ensure registrants' compliance with the provisions of The Bahamas' AML/CFT/CPF laws and has extensive legal powers to regulate the sectors. The supervisory approach is to assess DNFBPs policies, procedures, and controls for identifying and managing ML/TF/PF risk and compliance with preventive measures. The risk based supervisory framework is aligned with the FATF standards for an effective supervisory regime.

Supervisory Priorities and Activities

Key priorities include market entry controls to prevent criminals and their associates from acquiring ownership or management control of a registrant, understanding the ML/TF/PF risks, supervision & monitoring to mitigate ML/TF/PF risks, remedial actions & sanctions, impact of supervisory actions on compliance, providing feedback to registrants on risk-based exam and risk assessment findings, and promoting a clear understanding of AML/CFT/CPF obligations and risks.

The enforcement information (Commission Chart 2) shows the warning letters sent to DNFBPs for the years 2021-2023 for failing to register despite providing services that required registration with the Commission and providing the required information.

Commission Chart 2: Enforcement 2021-2023					
Enforcement 2021-2023					
Year	Registrant	Failure to Register		Failure to Produce	
		C	NC	C	NC
2021	Law Firms	15		10	
2022	Law Firms	12		14	
	Real Estate			14	
2023	Law Firms			13	
	Real Estate			11	
Legend: C=Compliant NC = Non-compliant					

All firms that receive warning letters are registered and compliant. The Commission has implemented monitoring measures to detect unregistered companies resulting in a significant increase in registrants since 2018. In addition, there is a notable

change in compliance whereby DNFBPs are registering because they are aware of the obligations rather than enforcement actions.

The Commission provides AML/CFT/CPF training and a special training initiative for sole proprietorships, small firms and registrants located on the Family Islands by webinar (see Commission Chart 3). A combination of in-person training, videos, podcasts, webinars, guidance notes and written presentations are employed to increase registrants' awareness of AML/CFT/CPF obligations and posted on the Commission's website for ease of reference. Suspicious Transactions Reports (STRs) remain low and training on suspicious activities/red flags, typologies along with collaboration with the FIU and the self-regulatory bodies, Bahamas Bar Association (BBA), Bahamas Real Estate Associations (BREA), Bahamas Institute of Chartered Accountants (BICA) is prioritized.



Risk Based Exams and Trends

The Commission conducted 52 risk-based examinations during 2021-2023 including Lawyers, Real Estate Brokers & Land Developers and Accountants. The examination findings for the real estate sector shows improvement in the policy & procedures. Procedures for PEPs, high risk clients and

UN sanction procedures. Identification and verification of the beneficial owners continue to demonstrate a high level of compliance. Areas for improvement include further enhancing the quality of the evaluations of risks specific to the registrant business and conducting internal compliance reviews. Law firms' findings revealed that there was much improvement in the policies and procedures including procedures for record keeping senior management approval of high-risk clients, PEPs and UN sanction compliance. The accountants are highly compliant with AML obligations and in particular areas such as the firm's written policies and procedures, beneficial ownership identification and verification.

Overall, the major companies that dominate the sectors demonstrate an improving quality of controls designed to detect and deter ML, TF and PF based on the assessed risks and commitment to apply the preventive measure required by law. Deficiencies identified in examinations are addressed through remedial actions. The quality of controls, risk assessments and client risk assessments primarily among the medium, small companies, and sole proprietors varies, however, the level of awareness has improved. The Commission is addressing these challenges in the ongoing examination, remedial action, AML training program and guidance. Examinations have focused on the major companies that conduct most of the international transactions which pose the highest risk of money laundering.

The risk profiling of registrants indicate that most customers reside in The Bahamas, USA, Europe and Canada with limited exposure to high-risk countries or linked to high-risk jurisdictions and clients.

Research

The Commission has prioritized conducting research on the supervised sectors to gain a better

understanding of the ML/TF/PF risk, inform the inspection plans and supervisory approach. The Commission's initial research paper on "AML/CFT/CPF controls in the Real Estate Sector" was issued in May 2022 and identifies the comprehensive controls present throughout the real estate transaction process, steps involved in real estate transactions and explain the AML/CFT/CPF controls in place to mitigate ML/TF/PF risks for Bahamians and Non-Bahamians. Based on this study, the Commission determined that although luxury real estate requires constant monitoring as a potential money laundering risk, The Bahamas currently has satisfactory controls in place to mitigate ML and other financial crime risks flowing through luxury real estate, and particularly cross border real estate, making it unlikely that The Bahamas is a real estate-based money laundering center.

RegTech

The Commission has implemented RegTech solutions to enhance supervisory functions including digitalizing most of the examinations procedures and launched an online registration portal in 2021 that allows registrants to register and update information. Further developments are planned for 2024/2025. The goal is to enable a more efficient & effective regulatory compliance regime and facilitate registrants reporting.

The majority of registrants are small, medium and sole proprietors who face challenges including assigning adequate resources and maintaining awareness of key AML obligations. The risk-based supervisory approach is implemented which is less onerous on lower risk sectors or activities, Risk assessments are continuously updated to enhance understanding and adjust the supervisory approach.

Conclusion

The Commission has noted a significant improvement in the culture of compliance as registrants are embracing the training opportunities. Meanwhile, an updated National Risk Assessment is underway which will provide a risk assessment of the sectors supervised. The Commission is already preparing for the upcoming Mutual Evaluation of The Bahamas in 2026 and remains committed to protecting the financial system from abuse by criminals.



GAMING BOARD FOR THE BAHAMAS

AML/CFT/CPF REPORT

Terah Rahming
Secretary, Gaming Board for The Bahamas

The Gaming Board for The Bahamas (“the Board”) serves as the regulatory authority for two distinct sectors within the Bahamian gaming industry: the tourist-oriented commercial casino sector and the domestic sector, which features a unique form of regulated internet-based gaming. In the domestic sector, Gaming House Operator licensees are officially authorized to allow domestic players to participate in various forms of gaming. These include engaging in an account-based, direct online experience; playing interactively in an account-based format at a brick-and-mortar Gaming House Premises; or purchasing tickets for the numbers game with cash over the counter. These ticket purchases can be made either at a Gaming House Premises or through a licensed Gaming House Agent acting on behalf of the Gaming House Operator licensee. In both the commercial and domestic sectors, licensees are held to stringent licensing standards and are mandated to conduct all authorized gaming activities in full compliance with internationally recognized internal control frameworks and operational best practices.

As part of its regulatory oversight of the gaming industry, the Board for The Bahamas continuously monitors the Anti-Money Laundering (AML), Counter-Financing of Terrorism (CFT), and Counter-Proliferation Financing (CPF) landscape to ensure full compliance with established regulatory standards. This includes the identification, assessment, advisory, monitoring, and reporting of all



risks associated with gaming activities in The Bahamas.

To effectively carry out these responsibilities, the Board has established two specialized units within its organizational structure that plays a central role in risk assessment and compliance monitoring:

- (i) the AML/CFT Supervisory Unit and
- (ii) the Enforcement Unit (collectively referred to as “the Units”).

The Units operate in close coordination to implement and maintain robust AML/CFT/CPF supervisory measures across both the domestic and commercial casino sectors. Their oversight functions include targeted onsite inspections and monitoring activities designed to ensure that all licensees comply with the provisions of the Gaming Act, 2014, its accompanying regulations, and the Board-approved systems of accounting and internal controls aimed at detecting, preventing, and mitigating money laundering and terrorist financing risks.

Following the enactment of the Anti-Terrorism (Amendment) Act, 2019, and the Anti-Terrorism (Amendment) Regulations, 2019—which established obligations aligned with United Nations Security Council Resolutions and other international sanctions frameworks—the Board has reinforced its supervisory

mandate to ensure full licensee compliance with these requirements. In this regard, licensees must maintain current electronic lists of designated and listed entities and conduct ongoing reviews of customer and transaction records to identify any possible associations with such entities.

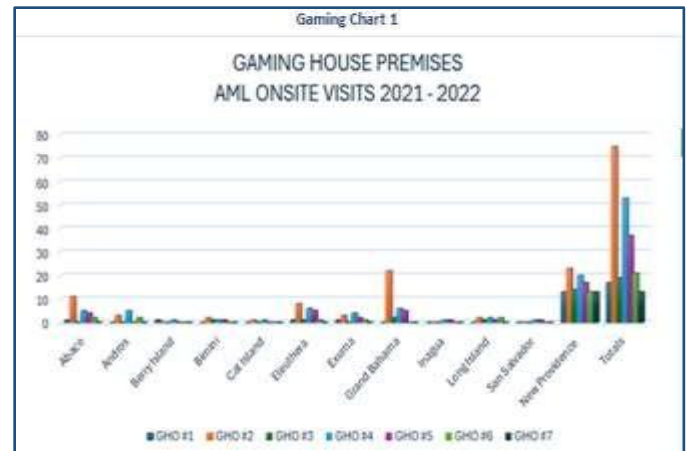
While legislation requires licensees to report positive matches to the Financial Intelligence Unit (FIU), the Board imposes an additional obligation: licensees must also report the outcomes of these database screenings to the Board, irrespective of whether a match is identified.

To support ongoing compliance, the Board's AML/CFT Supervisory Unit within the Regulatory Compliance Division conducted a series of onsite examinations between March 2021 and April 2022, and again in 2023. These examinations targeted both domestic and commercial casino licensees and were designed to identify internal control deficiencies and assess the adequacy and effectiveness of existing AML/CFT/CPF programs approved by the Board.

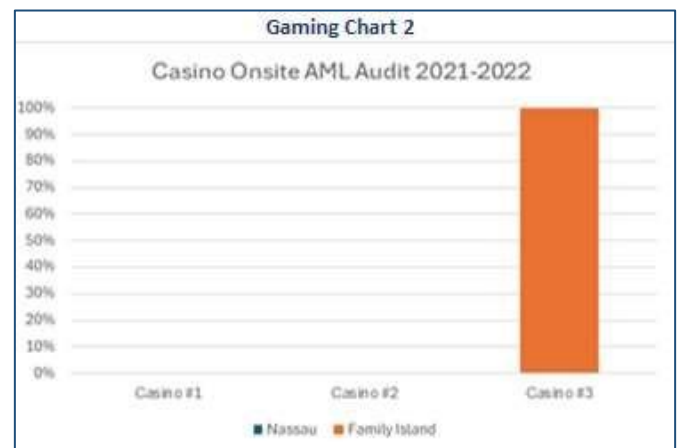
On-Site Inspections Overview (2021–2023)

Between March 2021 and April 2022, the Board conducted on-site inspections at a total of 235 licensed locations—122 across 11 Family Islands and 113 in New Providence. These inspections, distributed among the seven licensed Gaming House Operators, were carried out under modified protocols due to COVID-19 restrictions (See Gaming Table 1 and Chart 1).

ISLAND	GHO #1	GHO #2	GHO #3	GHO #4	GHO #5	GHO #6	GHO #7	Total Onsites
Abaco	1	11	0	5	4	2	0	23
Andros	0	3	0	5	0	2	0	10
Berry Island	1	0	0	1	0	0	0	2
Bimini	0	2	1	1	1	0	0	5
Cat Island	0	1	0	1	0	0	0	2
Beuthera	1	8	1	6	5	1	0	22
Buma	1	3	0	4	2	1	0	11
Grand Bahama	0	22	2	6	5	0	0	35
Inagua	0	0	0	1	1	0	0	2
Long Island	0	2	1	2	1	2	0	8
San Salvador	0	0	0	1	1	0	0	2
New Providence	13	23	14	20	17	13	13	113
Totals	17	75	19	53	37	21	13	235

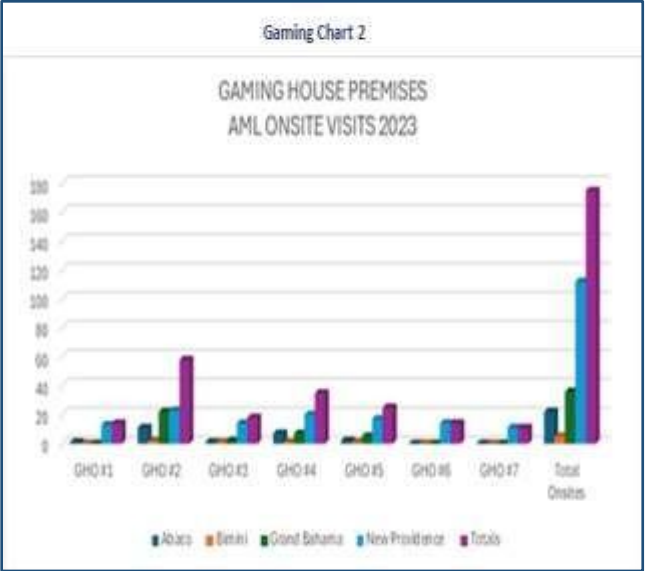


While Gaming Enforcement Inspectors continued daily monitoring of AML/CFT-related business transactions within casinos, only one formal AML audit program was conducted in 2022, also due to pandemic-related limitations (see Gaming Chart 2).



In 2023, the Board resumed full-scale inspection activities, conducting on-site assessments at 63 locations across Grand Bahama, Abaco, and Bimini, in addition to 112 locations in New Providence, for a total of 175 inspections for the year.

All referenced islands maintain a permanent presence of Gaming Enforcement Inspectors, with the exception of Abaco, where inspections are conducted quarterly by Inspectors based in Grand Bahama. The status and distribution of these supervisory assessments are shown in Gaming Chart 2 below.





FINANCIAL INTELLIGENCE UNIT

AML/CFT/CPF REPORT

Emrick Seymour
Director, Financial Intelligence Unit



The Financial Intelligence Unit (FIU) is the cornerstone of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT/CPF) landscape in The Bahamas. Its mission is to proactively collaborate with local law enforcement agencies, competent authorities, and international counterparts to

detect, assess, and eradicate threats related to money laundering, financing of terrorism, proliferation financing, and other financial crimes that could impact the global economy.

The FIU plays a crucial role in the global fight against these crimes by collecting, analysing, and disseminating financial intelligence to prevent illicit activities. Through collaboration, FIUs are able to identify patterns of suspicious transactions, trace illicit

funds, and uncover complex criminal financial networks. This teamwork enhances the ability to take timely, coordinated action, leading to stronger enforcement and prosecution. Additionally, such partnerships foster information sharing, enabling a global approach to tackling financial crimes and ensuring that criminals cannot evade justice by crossing borders. This combined effort is vital for disrupting the financial systems exploited by

organized crime, terrorism, and corruption, ultimately protecting the integrity of the global financial system.

From 2021 to 2023, the total number of Suspicious Transaction Reports (STRs) submitted over the three years amounted to 2,339 with a significant rise in 2022. (See FIU Table 1).

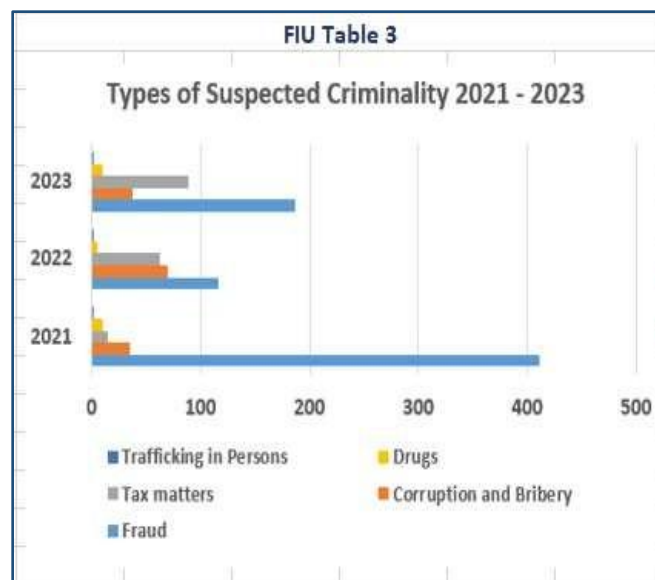
The distribution of these reports shows notable differences across various sectors (See FIU Table 2). Banks accounted for the highest number of STRs, totalling 1,559 reports, money remittance services, though contributing fewer reports, still played a role with a total of 82 STRs, peaking at 57 reports in 2022. Credit unions reported a modest total of 9 STRs over the three years, with a notable absence of reports in 2022.

Lastly, trust companies submitted 99 STRs, with 78 reports recorded in 2022. These figures highlight the varying levels of compliance and activity within different financial institutions, emphasizing the importance of continued monitoring and collaboration to combat financial crimes effectively.

FIU Table 2			
STRs Received from Sector Licensees			
Sector	2021	2022	2023
Banks	605	342	612
Money Remittance Services	11	57	14
Trust Companies	8	78	13
Credit Unions	4	0	5

The other submissions received by FIU came from various sectors, including securities firms, casinos, law firms, company service providers, and non-bank entities. Together, these sources provide the FIU with critical information to detect and combat financial crimes.

The types of suspected criminality reported during the period 2021 and 2023 showed significant variation. Fraud consistently remained the most reported offense, while corruption and bribery fluctuated over the three years. The increase in fraud cases in 2021 is suspected to be a result of the pandemic, which led to a shift toward non-face-to-face operations in the financial sector. This shift may have created opportunities for fraudulent activities to occur more frequently, as the reliance on remote transactions and digital platforms increased during this period. Tax-related matters demonstrated a steady upward trend, with an increase in reports each year. Drug-related offenses remained relatively low, with only a few reports for each of the reporting year. Trafficking in persons was consistently reported at a low level throughout the period. These trends highlight the shifting prevalence of different criminal activities, underscoring the importance of sustained vigilance and targeted enforcement efforts.



In 2021 and 2022, the FIU, like many other global financial agencies, focused on recovering and restoring normalcy to its daily operations. A key priority in this period was expanding and strengthening its human resources capacity, particularly after successfully implementing a comprehensive IT infrastructure. In 2022, the FIU had a staff complement of 39 individuals, which grew to 54 in 2023. This increase was essential to support the FIU in meeting its expanding operational and administrative responsibilities.

Training and development of its staff complement continued to be an important focus for the FIU during the period in review. Consequently, the staff at FIU benefitted immensely from a number of local, regional and international training initiatives in the AML/CFT/CPF space over the period.

The investment in staff professional development ensures that FIU personnel are well-equipped and prepared to execute their duties and responsibilities, significantly contributing to the organization's mission of combating financial crimes.

In the same vein, and in its collaborative efforts with industry partners, the FIU administered essential

AML/CFT/CPF training during the review period to approximately 5000 industry partners, including Money Laundering Reporting Officers (MLROs), Designated Reporting Officers, Law Enforcement Agencies (LEAs), and relevant financial industry staff.

The FIU continues to actively participate in meetings held by the Identified Risk Framework Steering Committee (IRFSC) and the Group of Financial Services Regulators (GFSR) locally. On the International front, the FIU continues to be an active member of the Egmont Group of Financial Intelligence Units, and the Financial Intelligence Units in the Caribbean Action Task Force (CFATF). During the period in review, the FIU attended and participated in the biennial plenary and working group sessions of these international bodies, during which a number of Memoranda of Understanding (MoUs) were signed between the FIU and its foreign FIU partners.

The FIU achieved several significant milestones during the period in review. Notably, among the milestones was the successful relocation of its office from Norfolk House on Frederick Street, where it had been established for 25 years, to a more modern and suitable facility at Poinciana House located on East Bay Street. Additionally, the passage of the FIU 2023 Act, which repealed the FIU Act of 2000, represents a crucial development in the Unit's evolution. These accomplishments have already had a substantial positive impact, enhancing the FIU's operational efficiency and strengthening its capacity to fulfil its statutory mandate.

The FIU reaffirms its commitment and dedication to strengthening collaborative relationships with industry partners and stakeholders. Our efforts to combat financial crimes are built on trust and mutual respect. Together, we are committed to ensuring a safe and robust financial ecosystem for the jurisdiction.

This report was produced by the Office of the Attorney General, the Group of Financial Services Regulators and the Financial Intelligence Unit of The Bahamas. Any comments or concerns regarding this document can be made to the below address:

AML Outreach Unit

Bank Supervision Department

Central Bank of The Bahamas

Email: amloutreach@centralbankbahamas.com