

MINISTRY OF FINANCE
THE FINANCIAL TRANSACTIONS REPORTING ACT, 2000
(NO. 40 OF 2000)

Consolidated Version

of

**S.I.No.111
of 2000**

**THE FINANCIAL TRANSACTIONS REPORTING
REGULATIONS (No. 1), 2000**
Made the 29th day of December, 2000

incorporating

**S.I.No. 113
of 2001**

**THE FINANCIAL TRANSACTIONS REPORTING
(AMENDMENT) REGULATIONS, 2001**
Made the 18th day of July, 2001

The Minister, in exercise of the power conferred by section 50 of the Financial Transactions Reporting Act, 2000 makes the following regulations.

Citation **1.** These regulations may be cited as the Financial Transactions Reporting Regulations, 2000.

Prescribed Amount **2.** For the purposes of Part II of the Financial Transactions Reporting Act, 2000 the prescribed amount shall be the sum of \$10,000.00.

Procedure identity for verification **3.** (1) Where a financial institution is required to verify the of any person, the following information is required:-

- (a) full and correct name of person;
- (b) permanent address;
- (c) telephone and fax number (if any);
- (d) date and place of birth;
- (e) nationality;
- (f) occupation and name of employer (if self employed, the nature of the self employment);
- (g) copy of the relevant pages of passport, driver's licence, voter's card, national identity card or such other identification document bearing a photographic likeness of the person as is reasonably capable of establishing the identity of the person;

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- (h) signature;
- (i) purpose of the account and the potential account activity;
- (j) source of funds;
- (k) written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity; and
- (l) such documentary or other evidence as is reasonably capable of establishing the identity of that person.

(2) Paragraph (1) shall apply to the verification of identity of the beneficial owners of all facilities.

Procedure for verification of corporate entities 4. Where a financial institution is required to verify the identity of any corporate entity whether incorporated in The Bahamas or elsewhere, the following information is required .

- (a) certified copy of the certificate of incorporation;
- (b) certified copy of the Memorandum and Articles of Association of the entity;
- (c) location of the registered office or registered agent of the corporate entity;
- (d) resolution of the Board of Directors authorising the opening of the account and conferring authority on the person who will operate the account;
- (e) confirmation that the corporate entity has not been struck off the register or is not in the process of being wound up;
- (f) names and addresses of all officers and directors of the corporate entity;
- (g) names and addresses of the beneficial owners of the corporate entity;
- (h) description and nature of the business including:
 - (i) date of commencement of business.
 - (ii) products or services provided;
 - (iii) location of principal business;
- (i) purpose of the account and the potential parameters of the

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account including: .

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- (i) size, in the case of investment and custody accounts
 - (ii) balance ranges, in the case of deposit accounts;
 - (iii) the expected transaction volume of the account;
 - (j) written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity;
 - (k) such other official document and other information as is reasonably capable of establishing the structural information of the corporate entity.

Verification of identity of partnerships or unincorporated businesses 5. Where a financial institution is required to verify the identity of partnerships or other unincorporated businesses, the following information is required .

- (a) verification of all partners or beneficial owners in accordance with regulation 3;
- (b) copy of partnership agreement (if any) or other agreement establishing the unincorporated business;
- (c) description and nature of the business including:
 - (i) date of commencement of business;
 - (ii) products or services provided;
 - (iii) location of principal place of business
- (d) purpose of the account and the potential parameters of the account including:
 - (i) size in the case of investment and client accounts;
 - (ii) balance ranges, in the case of deposit and client accounts;
 - (iii) the expected transaction volume of the account;
- (e) mandate from the partnership or beneficial owner authorising the opening of the account and conferring authority on those who will operate the account.
- (f) written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity;

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- (g) such documentary or other evidence as is reasonably capable of establishing the identity of the partners or beneficial owners.

Exemption from verification procedures S.I.No. 113 of 2001

- 5A.** Documentary evidence shall not normally be required for verification of identity of --
- (a) any financial institution regulated by the Central Bank of The Bahamas, the Securities Commission of The Bahamas, The Registrar of Insurance, or the Gaming Board;
 - (b) a financial institution located in a jurisdiction specified in the First Schedule to the Financial Transactions Reporting Act, 2000 which is regulated by a body having equivalent regulatory and supervisory responsibilities as the Central Bank of The Bahamas, the Securities Commission of The Bahamas, the Registrar of Insurance, or the Gaming Board;
 - (c) any central or local government agency or statutory body;
 - (d) a publicly traded company or mutual fund listed on The Bahamas International Stock Exchange or any other Stock Exchange specified in the Schedule and approved by the Securities Commission of The Bahamas;
 - (e) a regulated mutual fund as defined in section 2 (1) of the Mutual Funds Act, 1995 or regulated mutual fund located in a country specified in the First Schedule to the Financial Transactions Reporting Act, 2000 and regulated by a body having equivalent regulatory and supervisory responsibilities as the Securities Commission of The Bahamas;
 - (f) an applicant for insurance consisting of a policy of insurance in connection with a pension scheme taken out by virtue of a person's contract of employment or occupation;
 - (g) an applicant for insurance in respect of which a premium is payable in one instalment of an amount not exceeding \$2,500;
 - (h) an applicant for insurance in respect of which a periodic premium is payable and where the total payable in respect of any calendar year does not exceed \$2,500.

Trust settlement

- 6.** "Facility" as defined in Section 2 of the Financial Transactions Reporting Act includes a trust settlement.

Verification of facilities established by telephone or Internet

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

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- (2) Where the financial institution has obtained in writing confirmation from either –

(a) a financial institution defined in section 2 (3) of the Financial Transactions Reporting Act, 2000; or

(b) a foreign financial institution,

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

Wire transfer records

8. A financial institution shall keep and maintain records of all wire transfers inclusive of information as to the original source, the fields for the ordering and final destination of the funds together with names and addresses.

Continued verification of accounts

9. (1) Once verification of identity of a facility holder has been completed no further verification of identity is necessary as long as the facility is used by the facility holder on a regular basis.

(2) Financial institutions shall monitor facility holders for consistency with the facility holders stated account purposes and business and the identified potential account activity during the first year of operation of the facility

(3) Where there has been no recent contact with the facility holder or no transaction involving the facility within a period of five years, the financial institution shall verify the identity of the facility holder.

Transfer of records

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

Retention of records

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

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SCHEDULE

(Regulation 5A(d))

Approved Stock Exchanges

American Stock Exchange (AMEX)

Amsterdam Stock Exchange (Ainsterdamse Effectenbeurs)

Antwerp Stock Exchange (Effectenbeurs vennootschap van Antwerpen)

Athens Stock Exchange (ASE) Australian Stock Exchange
Barcelona Stock Exchange (Bolsa de Valores de Barcelona)
Basle Stock Exchange (BaslerBorse)
Belgium Futures & Options Exchange (BELFOX)
Berlin Stock Exchange (Berliner Borse)
Bergen Stock Exchange (Bergen Bors)
Bermuda Stock Exchange
Bilbao Stock Exchange (Borsa de Valores de Bilbao)
Bologna Stock Exchange (Borsa Valori de Bologna)
Bordeaux Stock Exchange
Boston Stock Exchange
Bovespa (Sao Paulo Stock Exchange)
Bremen Stock Exchange (Bremener Wertpapierbarse)
Brussels Stock Exchange (Societede la Bourse des Valeurs
Mobilieres/Effecten
Beursvennootschap van Brussel)
Cayman Islands Stock Exchange
Cincinnati Stock Exchange
Copenhagen Stock Exchange (Kobenhayns Fondsbors)
Dusseldorf Stock Exchange (Rheinsch-westflilische Borse Zu
Dusseldorf)
Florence Stock Exchange (Borsa Valori di Firenze)
Frankfurt Stock Exchange (Frankfurter Wertpapierbarse)
Fukuoka Stock Exchange
Geneva Stock Exchange
Genoa Stock Exchange (Borsa Valari de Genova)
Hamburg Stock Exchange (Hanseatische Vertpapier Borse
Hamburg)
Helsinki Stock Exchange (Helsingen Arvapaperiporssi
Osuuskunta)
Hong Kong Stock Exchange
Irish Stock Exchange

Johannesburg Stock Exchange
Korea Stock Exchange
Kuala Lumpur Stock Exchange
Lille Stock Exchange
Lisbon Stock Exchange (Borsa de Valores de Lisboa)
London Stock Exchange (LSE)
Luxembourg Stock Exchange (Societe de la Bourse de
Luxembourg SA)
Lyon Stock Exchange
Madrid Stock Exchange (Balsa de Valores de Madrid)
Marseille Stock Exchange
Mexican Stock Exchange (Bolsa Mexicana de Valores)
Midwest Stock Exchange
Milan Stock Exchange (Borsa Valares de Milano)
Montreal Stock Exchange
Munich Stock Exchange (Bayerische Barse in Miinchen)
Nagoya Stock Exchange
Nancy Stock Exchange
Nantes Stock Exchange
Naples Stock Exchange (Borsa Valori di napoli)
NASDAQ (The National Association of Securities Dealers
Automated Quotations)
New York Stock Exchange
New Zealand Stock Exchange
Oporto Stock Exchange (Bolsa de Valores do Porto)
Osaka Stock Exchange
Oslo Stock Exchange (Oslo Bars)
Pacific Stock Exchange
Palermo Stock Exchange (Borsa Valari di Palermo)
Paris Stock Exchange
Philadelphia Stock Exchange
Rio de Janeiro Stock Exchange (BVRI)
Rome Stock Exchange (Borsa Valori di Roma)

Singapore Stock Exchange
Stockholm Stock Exchange (Stockholm Fondbors)
Stuttgart Stock Exchange (Baden-Wiirternbergische
Wertpapierborse Zu Stuttgart)
Taiwan Stock Exchange
The Stock Exchange of Thailand
Tokyo Stock Exchange
Toronto Stock Exchange
Trieste Stock Exchange (Borsa Valori di Trieste)
Trondheim Stock Exchange (Trondheims Bors)
Turin Stock Exchange (Borsa Valori de Torino)
Valencia Stock Exchange (Borsa de Valares de Valencia)
Vancouver Stock Exchange
Venice Stock Exchange (Borsa Valori de Venezia)
Vienna Stock Exchange (Wiener Wertpapierbarse)
Zurich Stock Exchange (Ziircher Borse).

Signed
WILLIAM C. ALLEN
Minister of Finance