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## **4TH ANNUAL MLRO FORUM**

### **“REIMAGINING THE FUTURE BY BUILDING A RESILIENT TOMORROW”**

**Senator the Hon Ryan Pinder K.C.  
Attorney General and Minister of Legal Affairs**

27 June 2025

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Good morning,

I want to thank the Financial Intelligence Unit and Director Emrick Seymour for inviting me to speak to you today at the 4<sup>th</sup> Annual MLRO Forum. I want to give Director Emrick Seymour special recognition on the job he is doing at the FIU. Your approach, professionalism and responsiveness is truly valued and I would like to recognize your excellence here today.

The topic “Reimagining The Future By Building A Resilient Tomorrow” is an important one for today, especially as we evaluate our achievements and look forward to our 5<sup>th</sup> round FATF mutual evaluation. Your job as a Money Laundering Reporting Officer is very important and vital to protecting the integrity of the industry, and the country.

## **MLRO**

A Money Laundering Reporting Officer (MLRO) is a senior individual within a company, often in financial institutions, responsible for overseeing the organization's anti-money laundering (AML) efforts. The MLRO ensures compliance with AML regulations and procedures, identifies suspicious activity, and reports it to the relevant authorities. This role is crucial for maintaining the integrity of financial systems and preventing the flow of illicit funds.

Both the Securities Commission of The Bahamas and the Central Bank of The Bahamas have suitability requirements to be an MLRO. The MLRO should:

- have sufficient level of authority and independence within a financial institution.

- have a sound understanding of the money laundering and terrorist financing risks of a financial institution and how the Anti-Money Laundering and prevention of Terrorist Financing framework of The Bahamas applies to the business of the financial institution; and
- Be able to meet the test of fitness and propriety as determined by the primary regulator of the financial institution or, in the case of an accountant or lawyer, the professional/licensing authority.

The responsibility is real, and I want to commend each one of you for what you do to protect our industry.

### **5<sup>th</sup> Round Mutual Evaluation**

The Bahamas is a founding member of the **Caribbean Financial Action Task Force (CFATF)** and will be among the first three jurisdictions—alongside **Trinidad and Tobago** and

**Jamaica—to undergo the 5th Round Mutual Evaluation of our AML/CFT/CPF regime in October 2026.**

Mutual evaluations by the Financial Action Task Force (FATF) and regional bodies like CFATF are critical instruments in assessing our compliance with AML/CTF standards,

### **Progress to Date**

Since the 2015 Mutual Evaluation, which identified critical deficiencies in The Bahamas' legal and regulatory framework, The Bahamas has made significant progress:

- In **2020**, The Bahamas was removed from the **FATF**

#### **Grey List;**

- In **2022**, we were removed the **EU AML Blacklist**;
- We entered the CFATF Follow-Up Process and became the **second jurisdiction in the Latin, Central, North American and Caribbean region—and sixth**

**globally—to achieve ‘40 for 40’ status, attaining**  
compliant or largely compliant ratings on all 40 FATF  
Recommendations.

These milestones reflect this Government’s unwavering commitment to upholding international financial standards and our preparedness to respond to evolving threats. We must be vigilant if we are going to have an industry to protect, and a profession to preserve.

### **National Risk Assessment**

The Financial Action Task Force (FATF) sets global AML standards embodied in the 40 Recommendations. Recommendation 1 is foundational to complying with the other 39 recommendations and mandates countries to undergo ML risk assessments. The national risk assessment (NRA) process involved extensive stakeholder engagement, covering financial

and non-financial service providers, and representatives from both the public and private sectors. This NRA process serves to enhance and deepen the awareness and understanding of The Bahamas' ML threats and vulnerabilities and focus resources to address identified gaps in our AML regime, including laws, regulations, and guidance/codes as well as supervisory and enforcement frameworks

The finalized NRA report addresses this requirement and allows The Bahamas to comply with critical criteria of Recommendation 1 of the FATF 40 Recommendations. We have released the National Risk Assessment Summary of Key Findings, as well as the National Identified Risk Strategy for public review on the regulator websites as well as the AIBT and BFSB websites. I encourage each of you to review these reports so you can appreciate the AML landscape in The

Bahamas and the context in which our 5<sup>th</sup> round mutual evaluation will be conducted.

## **Preparing for the 5th Round Mutual Evaluation**

The 5th Round Mutual Evaluation will place focus on the **effectiveness** of our implementation of the FATF 40 Recommendations—not just whether the laws are in place, but whether they are being enforced.

Last month, we tabled and passed significant legislation — including updates to **six critical pieces of legislation**, to ensure alignment with the revised FATF standards. These include:

- 1. Proceeds of Crime (Amendment) Bill, 2025**
- 2. Register of Beneficial Ownership (Amendment) Bill, 2025**
- 3. Financial Transactions Reporting (Amendment) Bill, 2025**



#### **4. Companies (Amendment) Bill, 2025**

#### **5. International Business Companies (Amendment) Bill, 2025**

#### **6. Non-Profit Organisations (Amendment) Bill, 2025**

##### **(a) Proceeds of Crime (Amendment) Bill, 2025**

This Bill strengthens compliance with **FATF Recommendations 36 and 38**, focusing on international cooperation, asset recovery, and implementation of the **Palermo Convention**.

Key amendments include:

- **Section 2:** Expands the definition of “property” to include “property of corresponding value,” ensuring compliance with revised FATF Rec. 38.

- **Section 16:** Introduces a defence under sections 9–12 to reflect Article 6(2)(c) of the Palermo Convention, supporting compliance with Rec. 36.
- **Section 50:** Introduces **sections 50A–50F** to permit **civil forfeiture of assets located outside The Bahamas**, where a sufficient nexus exists—closing a gap in our ability to combat transnational crime.

## **(b) Register of Beneficial Ownership (Amendment) Bill, 2025**

To align with the updated **FATF Recommendation 24**, this Bill introduces:

- **Periodic validation** of beneficial ownership (BO) information to ensure accuracy and timeliness (Section 11).
- Reduction of response time for BO information from **15 days to 24 hours**, enhancing rapid access (Section 12(5)).

- A new **Section 11A**, which mandates nominee transparency, ensuring information is identified, verified, and made available swiftly.

### **(c) Companies (Amendment) Bill, 2025 and International Business Companies (Amendment) Bill, 2025**

Both Bills enhance **nominee transparency** to mitigate risks under FATF Rec. 24:

- **New Section 80A** in the Companies Act and **new Section 41A** in the IBC Act **prohibit nominee directorships** unless declared and registered.
- **Section 9A** is expanded to apply relevant provisions of the ROBOA, ensuring obligations related to BO transparency apply across all legal persons.

### **(d) Financial Transactions Reporting (Amendment) Bill, 2025**

In order to align with to **FATF Recommendation 25**, the amendments to the FTRA aim to improve BO transparency in **legal arrangements**:

- **Section 2**: Updates the definition of “customer due diligence measures” to include legal arrangements.
- **Section 3**: Requires trustees to hold and maintain accurate BO information.
- **Section 7**: Strengthens due diligence measures by requiring information to be kept “up-to-date” and allows for a **risk-sensitive approach** to verification.

#### **(e) Non-Profit Organisations (Amendment) Bill, 2025**

**FATF Recommendation 8** highlights the need to protect the non-profit sector from terrorist financing abuse while preserving legitimate activities.

Key reform:

- **Section 2:** Amends the definition of “Registrar of NPOs” by removing the Registrar General and empowering the **Attorney-General to appoint a dedicated Registrar within the Compliance Unit.**

This strengthens oversight and aligns with the FATF’s emphasis on **risk-based, proportionate regulation** and international cooperation.

These legislative reforms are not merely technical compliance exercises. They are essential tools in the fight against illicit finance, transnational organized crime, and the financing of terrorism and weapons proliferation.

This Government remains resolute in our commitment to:

- **Preserving The Bahamas’ standing as a reputable financial centre**

- **Ensuring a secure, transparent environment for domestic and international investment**
- **Fulfilling our obligations to the global financial system and international partners**

Our financial sector is a cornerstone of the Bahamian economy.

A poor evaluation threatens correspondent banking relationships, investor confidence, and international partnerships.

The passage of these Bills not only prepare us for a successful 5th Round Mutual Evaluation in 2026, but more importantly, it will reaffirm to the international community that The Bahamas continues to lead by example in the region and beyond.

### **Institutional strengthening and Training**

We must ensure that we are not only technical compliant, but our people are proficient in the standards and have the knowledge to do the job before them. We are investing in human capital, including increased human resources, training for law enforcement, prosecutors, regulators, and judiciary personnel. The CFATF will be providing training on the FATF Revised Standards and Methodology at the end of June, 2025 and Country Pre-Assessment Training will be offered in October this year.

This conference is an important element of the private sector training, and I encourage you all to embrace it. Continued training and professional development is an expectation for money laundering reporting officers and I encourage you to make it a fundamental part of your professional development. I want to commend BACO as they continue to host conferences and training events for the industry.

## **Technology and systems**

We must leverage all our tools to ensure that we are meeting our obligations, this includes use of technology. Modern case management systems, STR analysis tools, and data collection mechanisms are being upgraded to meet FATF standards. In your businesses you should ensure that you have the latest technology to monitor AML matters and the constant adjustments in guidance. When we come to review your effectiveness, we will be reviewing your systems and methodologies.

## **National coordination**

The National Identified Risk Framework Committee is playing a central coordinating role. All relevant agencies including the International Legal Cooperation Unit and the Compliance Unit within my Office, the Central Bank, the Securities



Commission, the Insurance Commission, the Compliance Commission, the Gaming Board, the Financial Intelligence Unit, the Financial Crimes Unit of the Royal Bahamas Police Force, Customs Department, are engaged in intense preparation.

As all elements of AML monitoring and enforcement are part of the National Identified Risk Framework Committee, they will be instrumental in ensuring that industry is demonstrating effective implementation of the AML laws and policies. This may happen through on-site reviews, particular investigations or routine desktop monitoring. Please be vigilant and cooperative of the next 18 months with our regulators.

### **Information sharing protocols**

Enhanced domestic cooperation is being institutionalized through MOUs and regulatory frameworks. We intend that the

regulatory bodies and members of the National Identified Risk Framework Committee have the necessary tools to share information. This is vital to be able to demonstrate compliance and effectiveness during our mutual evaluation.

### **Conclusion**

In conclusion, I want to again thank all members of the Identified Risk Framework Steering Committee who have worked hard to finalize our national risk assessment. This was a comprehensive exercise that lays the foundation for us as a jurisdiction to continue our excellence in anti-money laundering compliance. It is up to you as industry participants to understand the framework, understand the risks, and understand the strategies to mitigate the risks. To the money laundering reporting officers in the room, along with compliance officers you are the gatekeepers, and with the changing rules, and preparation for the 5th round mutual

evaluation, your job is ever more important. We as a country, industry, government, regulators, we must each do our part.

As I conclude I want to give the necessary assurances that our administration is fully committed to ensuring The Bahamas is an international financial center that reacts to changes in the laws and regulations of the world. This includes maintaining compliance but also includes creating opportunities for enhanced business opportunities. We must have this balanced approach and they go hand in hand, without full compliance and you effectively doing your job, we won't maintain the reputation of excellence as a jurisdiction, without the reputation we won't grow as an industry. I commend each and every one of you for the job you do and I anticipate your full cooperation as we prepare for our 5<sup>th</sup> round mutual evaluation.

Thank you again for your engagement.