

REIMAGING THE FUTURE BY BUILDING A RESILIENT TOMORROW

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- Over the 2000 – 2020 period, The Bahamas and most small island international financial centres, like those in the Caribbean, have been blacklisted, grey listed, etc., by a group of international agencies and economic blocks.

- Most 'Listings' were produced unilaterally without any discussions with the affected countries with careless regards for the negative effects of such 'Listings' on the economic welfare of identified countries.

CFATF Mutual Evaluation 30 November – 14 December 2025

- ❑ the CFATF 4th round mutual evaluation.
- ❑ Defending the AML/CFT/CFP regime.
- ❑ Legislative updates to the AML/CFT/CFP suite of statutes were not carried out from the Introduction of the revisions in 2012 – late 2015.
- ❑ Nothing less than a complete overhaul of legislation was required.

The Substantive AML/CFT/CFP Legislative Suite

Act Name	Year of Enactment/Key Amendments	Primary Focus
Proceeds of Crime Act (POCA)	2000 (amended 2018)	Criminalizes money laundering, mandates suspicious activity reporting, empowers asset freezing and confiscation; expanded predicate offenses including proliferation and tax crimes.
Financial Transactions Reporting Act (FTRA)	2000 (amended 2018)	Requires robust Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), record-keeping, and suspicious transaction reporting (STR); enhanced internal controls and oversight of foreign branches.
Anti-Terrorism Act (ATA)	Enacted 2004 (amended 2014, 2018, 2019)	Prevents terrorism financing, aligns with international obligations, empowers investigation and prosecution of terrorism financing; enables asset freezes and sanctions; provides for UNSCR implementation.

AML/CFT/CFP Legislative Suite

International Obligations (Economic and Ancillary Measures) Act (IOEAMA)	1993 (amended 2019)	Provides legal authority for imposing economic sanctions and ancillary measures to fulfill international obligations; grants power to restrict activities and freeze property; facilitates immediate incorporation of UNSCRs.
Register of Beneficial Ownership Act	2018	Mandates identification and verification of beneficial owners of legal entities; requires registered agents to maintain secure, non-public databases of beneficial ownership information; enhances transparency.

Results of the CFATF Mutual Evaluation

- The Bahamas was rated as “Compliant or Largely Compliant” with 18 FATF Recommendations, “Partially Compliant” with 21 FATF Recommendations and “Non-Compliant” with 1 FATF Recommendation. Accordingly, the country satisfied the criteria for being placed into the ‘CFATF Enhanced Follow-up Process’ and FATF Review due to the identified strategic AML deficiencies.

- Within 10 months after the publication of its CFATF MER, The Bahamas applied to the CFATF in May 2018 for technical compliance re-rating of 21 FATF Recommendations.
- The Bahamas, at the CFATF November 2018 Plenary and meetings, was successful in obtaining 13 upgraded ratings of 'Compliant or Largely Compliant' in 12 FATF Recommendations and a 'Partially Compliant' for the 1 'Non-Compliant' Recommendation of the 2017 Mutual Evaluation.
- The Bahamas became the first CFATF Member country to achieve such a feat.

Attaining 40 for 40

- The high mark of compliance in all 40 recommendations - achieved in December 2020.
- Bahamas became a member of the Elite Group becoming only the 2nd jurisdiction in the Western Hemisphere and 6th in the FATF 209 jurisdiction global network.

EU AML Blacklist

- THE Bahamas was held on this list til JANUARY 2022.
- The four years (2018 – 2022) for financial service providers (banks, trust companies, securities service providers, etc.) - Most if not all financial institutions hailing from our shores were considered high ML risk ad their transactions were either, delayed, blocked or attracted very high transactional fees.
- Some of the entities had their banking relationships terminated as they were de-risked.
- Due to the country being noted has having strategic deficiencies, The Bahamas suffered a significant loss of foreign direct investments and the jobs that accompany such funds.

- The Bahamas has a small open economy.
- The Bahamas depend heavily on international trading vendors for food, clothing, housing materials and energy to run our homes and businesses.
- The international financial system is vital for settling payments and thereby sustaining 'life' as we know it in the Bahamas.

- In order to Reimagine the Future by Building a Resilient Tomorrow, we must look back to look forward.
- We must never forget where we came from and what it took to get to this point where we are presently.
- Prolonged, hard, sustained, persistent, forceful, committed, strong, and brutal (at times) pushing without relenting til results were realized.
- It has been a painful process, one we should never re-visit it.

- WHAT THEN CAN WE DO NOT TO GO BACK TO THIS DARK PERIOD?????

FIRST AND FOREMOST

- We need to commit ourselves to continually doing our part while positioned as gatekeepers in our financial and non-financial providers to protect our local and international financial center.

- It is all of our business and we must commit to knowing our clients, delivery channels, their business associates, their businesses, etc., on an intimate level, to facilitate authentic risk-based monitoring of the client bases.
- Failure to know your clients and related areas noted, can result in risking our way of life – shrinking good paying jobs and an increase in the decline in the middle class as financial service providers shrink.

Difference between Laundering POC vs Terrorist Financing

- Funds ear-marked for laundering are most time easier to identify than funds headed to blow up buildings or ball fields.
- Why, money launderers use illegal proceeds while safe, traditional wealth sometimes fund terrorist activities.
- How can you know the difference — Your knowledge of your clients' relationships.
- This is not a tick box operation.
- You can purchase IT and AI tools but the real asset to any operation is you — the MLRO / Compliance Officer. You can think, discern and spot irregularities and subtle differences in transaction patterns, delivery channels, etc. that a computer may never pick up.

- Never forget your role as being the 2nd line of defense.
- A crucial position supporting the frontline officers, ensuring proper monitoring of customer relationships is continuous and operational compliance with the AML/CFT/CFP framework.

Curret state of AML/CFT/CFP Regime

- The Bahamas maintains a robust framework for anti-money laundering (aml), countering the financing of terrorism (cft), which is continually evolving.
- This comprehensive framework is designed to prevent financial crimes and to disrupt schemes to launder illicit proceeds and to confiscate such funds.
- We have forged and enacted a legal, regulatory and enforcement aml/cft/cfp framework which we are

Private sector Support for the AML/CFT/CFP Regime

- THE COMPLIANCE FUNCTION -
- IS CRITICAL TO THE COUNTRY'S DEFENSE OF ITS FINANCIAL SYSTEM.
- SHOULD BE THE BUSIEST AREA IN THE OPERATION.

Compliance Function & Duties

- IDENTIFYING AND ASSESSING RISKS –
 - ARE PERIODIC REVIEWS BEING CONDUCTED
 - ARE RISK PROFILES BEING UPDATED
 - ARE CLIENTS BEING REVIEWED IN COMPREHENSIVE STOCK TAKING ACROSS ENTERPRISE WIDE PORTFOLIOS.
 - IS RISK MANAGEMENT BEING KEPT ABREAST OF CHANGING OPERATIONAL LANDSCAPES – CLIENTS, GEOGRAPHIC FOCUS, DELIVERY CHANNELS, ETC.

- DEVELOPING AND IMPLEMENTING POLICIES AND PROCEDURES

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- ARE THEY UP-TO-DATE AND APPROVED FOR ISSUANCE
- ARE THEY TESTED FOR TO ENSURE THEY ARE OPERATIONAL AND ADDRESS THE ISSUES FACING THE SERVICE PROVIDER

- MONITORING AND TESTING—

- ARE THERE PERIODIC MONITORING AND TESTING— CLIENTS, DELIVERY CHANNELS, GEOGRAPHIC FOCUS, ETC.
- MONITOR AND TEST THE EFFECTIVENESS OF INTERNAL CONTROLS TO ENSURE ADHERENCE TO LAWS, REGULATIONS, AND INTERNAL RULES.

- EDUCATING AND TRAINING –
 - ARE THERE PERIODIC TRAINING FROM BOARD LEVEL TO THE MAID AS REQUIRED BY LAW.
 - ARE RECORDS BEING KEPT FOR REVIEW
- REPORTING AND REMEDIATION –
 - IS THERE PROPER REPORTING TO THE REGULATORS AND THE BOARD.
 - TIMELY REMEDIATION OF ISSUES
- PROVIDING ADVICE AND GUIDANCE
- FOSTERING A CULTURE OF COMPLIANCE

- PROVIDING ADVICE AND GUIDANCE-
 - PROVIDING INPUT TO SENIOR AND RISK MANAGEMENT COMMITTEES ON TECHNOLOGY, PRODUCTS, ETC.
- FOSTERING A CULTURE OF COMPLIANCE –
- ARE YOU EMBEDDING ETHICAL BEHAVIOR AND ADHERENCE TO RULES AND REGULATIONS INTO THE VERY FABRIC OF AN ORGANIZATION.
- NB - THIS GOES BEYOND SIMPLY FOLLOWING THE LETTER OF THE LAW; IT'S ABOUT CREATING AN ENVIRONMENT WHERE EMPLOYEES UNDERSTAND AND PRIORITIZE COMPLIANCE AS A CORE VALUE.

- Get to the point where compliance is not lip service but second nature

- If you can attain these lofty goals, then and only then can you begin to reimagine a resilient tomorrow.

- THE WORK OF THE MLRO / COMPLIANCE OFFICER IS NEVER DONE.

- MORE THAN EVER BEFORE, WE NEED COURAGEOUS, BOLD AND FEARLESS PROFESSIONALS SITUATED IN THESE POSTS.
- AS GATEKEEPERS YOU CANNOT BE WHIMPS. THESE POSTINGS ARE NOT FOR THE FAINT OF HEART.

YOU CHOOSE TO
GUARD JEALOUSLY
OF PREJUDICE, THE
FINANCIAL CENTER BY
GATES TO YOUR
OPERATIONS.

- YOUR MISSION IF YOU CHOOSE TO
ACCEPT IT – IS TO GUARD JEALOUSLY
WITH HIGH DEGREE OF PREJUDICE,
THE GATES TO OUR FINANCIAL
CENTER BY GUARDING THE GATES TO
YOUR INSTITUTIONS' OPERATIONS.

- LADIES AND GENTLEMEN—
- IT IS AS SIMPLE AS THAT.
- WE NEED TO CONSISTENTLY AND CONSTANTLY APPLY ELBOW GREASE TO PUSH US TO KNOW OUR CUSTOMERS, MONITOR OUR CUSTOMER RELATIONSHIPS, AND KEEP UPDATED CUSTOMER RISK PROFILES AND RECORDS.

- THANK YOU FOR LISTENING TO THE MUSINGS OF THIS COMPLIANCE VETERAN.