

---

**CHAPTER 368****FINANCIAL TRANSACTIONS REPORTING**

## LIST OF AUTHORISED PAGES

1 - 2 LRO 1/2017  
3 - 10 LRO 1/2010  
11 - 27 LRO 1/2017

**ARRANGEMENT OF SUBSIDIARY LEGISLATION**

## SECTION 50

Financial Transactions Reporting Regulations

## SECTION 51

Financial Transactions Reporting (Gaming) Regulations.

Financial Transactions Reporting (Wire Transfers) Regulations



**CHAPTER 368**

## FINANCIAL TRANSACTIONS REPORTING

**FINANCIAL TRANSACTIONS REPORTING  
REGULATIONS**

## (SECTION 50)

*[Commencement 29th December, 2000]*

1. These regulations may be cited as the Financial Transactions Reporting Regulations. Citation.
2. For the purposes of Part II of the Financial Transactions Reporting Act the prescribed amount shall be the sum of \$15,000.00. Prescribed amount.  
S.I. 103/2003.  
Ch. 368.
3. (1) For the purposes of section 11(1) of the Act, where a financial institution is required to verify the identity of any individual the following information is required — Procedure for verification.  
S.I. 103/2003.
- (a) full and correct name of the individual;
  - (b) address;
  - (c) date and place of birth; and
  - (d) purpose of the account and the nature of the business relationship.
- (2) In addition to the requirements mentioned in subparagraph (1) the following information may be required —
- (a) source of funds;
  - (b) signature;
  - (c) telephone and fax number (if any);
  - (d) occupation and name of employer (if self employed, the nature of the self employment);
  - (e) copy of the relevant pages of passport, drivers licence, voters card, national identity card or such other identification document bearing a photographic likeness of the individual as is reasonably capable of establishing the identity of the individual; or
  - (f) such documentary or other evidence as is reasonably capable of establishing the identity of that individual.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*S.I. 113/2001.*

Ch. 368.

Ch.366.

Ch. 368.

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

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

*S.I. 103/2003.*

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

Trust settlement.  
*S.I. 13/2009, r. 5.*  
Ch. 368.

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

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

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

Verification of facilities established by telephone or Internet.

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

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

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

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

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

Verification of beneficial owners.

*S.I. 103/2003.*

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

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

Continued verification of accounts.

*S.I. 103/2003.*

**8. *Revoked.***

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

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

Transfer of records.

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

Retention of records.

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

*S.I. 113/2001.*

**SCHEDULE (Regulation 5A(d))**

**APPROVED STOCK EXCHANGES**

American Stock Exchange (AMEX)

Amsterdam Stock Exchange (Amsterdamse Effectenbeurs)

Antwerp Stock Exchange (Effectenbeurs vennootschap van Antwerpen)

Athens Stock Exchange (ASE) (Australian Stock Exchange)

Barcelona Stock Exchange (Bolsa de Valores de Barcelona)

Basle Stock Exchange (Basler Borse)

Belgium Futures & Options Exchange (BELFOX)

Berlin Stock Exchange (Berliner Borse)

Bergen Stock Exchange (Bergen Bors)

Bermuda Stock Exchange

Bibiao Stock Exchange (Borsa de Valores de Bilbao)



---

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

---

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

---

**CHAPTER 368****FINANCIAL TRANSACTIONS REPORTING  
FINANCIAL TRANSACTIONS REPORTING  
(GAMING) REGULATIONS****ARRANGEMENT OF REGULATIONS**

## REGULATION

1. Citation.
2. Interpretation.
3. Obligation to implement procedures and controls.
4. Prohibited transactions of licence holders.
5. Licence holders to report suspicious transactions.
6. Exemptions from provisions of Ch. 368.

## SCHEDULE



**CHAPTER 368**

## FINANCIAL TRANSACTIONS REPORTING

**FINANCIAL TRANSACTIONS REPORTING  
(GAMING) REGULATIONS***S.I. 81/2014.*

## (SECTION 51)

*[Commencement November 24th, 2014]*

1. These Regulations may be cited as the Financial Transactions Reporting (Gaming) Regulations. Citation.
2. In this Act — Interpretation.
  - “Act” means the Financial Transactions Reporting Act; Ch. 368.
  - “cash” means any coins or paper-based currency customarily used and accepted as money;
  - “licence holder” means a person referred to in section 3(1)(e) of the Act;
  - “player” means a participant in a gaming activity other than the holder of a licence issued under the Gaming Act; Ch. 388.
  - “player account” means an electronic ledger established, operated and maintained by a licence holder in which information relative to interactive gaming transactions is recorded on behalf of the player in whose name the account is established, including, but not limited to information in respect of —
    - (a) deposits;
    - (b) withdrawals;
    - (c) amounts wagered;
    - (d) amounts paid on winnings; and
    - (e) adjustments to the player account;
  - “relevant legislation” means the Financial Transactions Reporting Act, the Financial Transactions Reporting Regulations, the Financial Ch. 368.  
Ch. 368.

Ch. 367.  
Ch. 367.  
Ch. 93.

Intelligence Unit Act, the Financial Intelligence (Transactions Reporting) Regulations, the Proceeds of Crime Act and any other legislation in force in The Bahamas relating to the prevention and detection of money laundering and counter-terrorist financing;

Schedule.

“threshold amount” means any amount of money specified in Item 1 of the Schedule.

Obligation to implement procedures and controls.

**3.** (1) A licence holder shall implement procedures and controls that are designed —

- (a) to detect and prevent transactions that may be associated with money laundering, terrorist financing, fraud and other criminal activities; and
- (b) to ensure compliance with all relevant legislation.

Ch. 388.

(2) Any internal control standards established pursuant to section 83 of the Gaming Act, shall comply with the provisions of these Regulations.

Prohibited transactions of licence holders.

**4.** (1) Subject to regulation 6, a licence holder shall not —

- (a) exchange cash for cash, except to enable a player to participate in gaming where cash is used as the stake or for the purpose of converting cash won by the player as a result of participation in gaming for different denominations of cash;
- (b) (i) issue a cheque or other negotiable instrument; or  
(ii) effect any transfer of funds to or on behalf of a player,  
in exchange for cash allegedly won by that player, unless the licence holder has satisfied itself that the player has become legally entitled to such funds as a direct result of participation in gaming;
- (c) knowingly allow, and shall take all reasonable steps to prevent, the circumvention of any of the provisions of the relevant legislation by —
  - (i) multiple transactions with a player, and
  - (ii) multiple transactions with a player or a player’s agent or accomplice,

- 
- which individually construed do not exceed the threshold amount, but which when combined exceed the threshold amount;
- (d) establish more than one player account for any player; or
  - (e) permit any funds standing to the credit of any player account to be transferred to —
    - (i) any other player account established by that licence holder;
    - (ii) any player account established by any other licence holder, or
    - (iii) any other person; provided that a licence holder may, on the request of the player, remit funds standing to the credit of such player's player account to an account with a financial institution held in the name of such player and nominated by such player for this purpose, subject to compliance with the requirements of all legislation applicable to player accounts.
- (2) Where any conduct referred to in paragraph (1)(c) is detected by a licence holder, such licence holder shall, for reporting purposes —
- (a) aggregate all cash transactions between itself and the player;
  - (b) aggregate all cash transactions between itself and the player and the person whom the licence holder knows or reasonably suspects to be the player's agent or accomplice; and
  - (c) where subparagraph (b) applies, file the report referred to in regulation 5.

**5.** A licence holder shall file a suspicious transaction report referred to in section 14 of the Act, in the manner and form required by that section, and shall comply with all provisions of the Act regarding the reporting of suspicious transactions, in respect of —

Licence holders to report suspicious transactions.

- (a) any series of transactions referred to in paragraph (4) which the licence holder knows, suspects or has reasonable grounds to suspect have been entered into for the purpose of avoiding or circumventing the reporting requirements applicable to transactions in excess of any threshold amount;

- (b) any transaction, wager or bet, regardless of the amount thereof, which the licence holder knows, or it or its directors, officers, employees or their agents have reasonable cause to suspect, is being attempted to be placed or has been placed in violation of, or as part of a plan to violate or evade, any provision of the relevant legislation; and
- (c) any transaction, wager or bet, regardless of the amount thereof, which has no business or apparent lawful purpose or is not the sort of transaction, wager or bet which the particular player concerned would normally be expected to conduct or place, and the licence holder can identify no reasonable explanation for such transaction, wager or bet after examining the available facts, having regard to the background thereof.

Exemptions from provisions of Ch. 368. Schedule.

**6.** A financial institution referred to in section 3(1)(e) of the Act shall be exempt from compliance with the provisions as specified in the Schedule.



---

## SCHEDULE

1. Parts II and IV of the Act in respect of an occasional transaction concluded with a player, whereby —

- (a) credit or any representation of value is issued or sold by the institution to be used for gaming, and is provided directly or indirectly to the player for a consideration not exceeding \$15,000; or
- (b) an amount not exceeding \$15,000 is provided directly or indirectly to the player in exchange for any representation of value which is issued or sold by the institution for use in gaming; or
- (c) an amount not exceeding \$15,000 is received from the player —
  - (i) as a deposit for gaming;
  - (ii) as a repayment of credit previously extended; or
  - (iii) as a wager at any gaming activity in which a representation of value issued or sold by the institution for use in gaming is not customarily used for wagering;
- (d) cash, a cheque or other negotiable instrument or funds are exchanged by, or on behalf of the player, for cash, a cheque or other negotiable instrument or funds which are to be transferred, to the amount not exceeding \$15,000;
- (e) an amount not exceeding \$5,000 is received from the player as a single wager at any gaming activity in which a representation of value issued or sold by the institution for use in gaming is customarily used for wagering.

2. Section 8 of the Act, concerning the particulars referred to in that section in respect of every occasional transaction which is not subject to the exemption referred to in paragraph 1 of this Schedule.

Schedule.

3. The Act, in respect of all activities of such an institution which may be performed without the institution being required to hold an operator licence under the Gaming Act.

Ch. 388.



---

**CHAPTER 368****FINANCIAL TRANSACTIONS REPORTING  
FINANCIAL TRANSACTIONS REPORTING  
(WIRE TRANSFERS) REGULATIONS****ARRANGEMENT OF REGULATIONS**

## Regulations

**PART I  
PRELIMINARY**

1. Citation.
2. Interpretation.

**PART II  
OBLIGATIONS OF ORIGINATING  
FINANCIAL INSTITUTIONS**

3. Duty to verify payer's identity.
4. Information to accompany transfers.
5. Exemption for batch file transfers.
6. Requirements for domestic wire transfers.
7. Cross-border wire transfers below one thousand dollars.
8. Retention of records.
9. Refusal to execute wire transfers.

**PART III  
OBLIGATIONS OF INTERMEDIARY  
FINANCIAL INSTITUTIONS**

10. Technical limitations.
11. Detection of missing payer and payee information.
12. Duty to assess risks.

**PART IV  
OBLIGATIONS OF BENEFICIARY  
FINANCIAL INSTITUTIONS**

13. Detection of missing payer and payee information.
14. Duty to verify identity.
15. Duty to assess risks.

**PART V  
OFFENCES AND PENALTIES**

16. Offences.

**PART VI  
MISCELLANEOUS**

17. Exempt wire transfers.  
18. Suspicious transaction reporting.  
19. Revocation.

**CHAPTER 368**

## FINANCIAL TRANSACTIONS REPORTING

S.I. 98/2015

**FINANCIAL TRANSACTIONS REPORTING  
(WIRE TRANSFERS) REGULATIONS**

(SECTION 51)

*[Commencement 4th December, 2015]***PART I  
PRELIMINARY**

**1.** These Regulations may be cited as the Financial Transactions Reporting (Wire Transfers) Regulations. Citation.

**2.** In these Regulations, unless the context otherwise requires — Interpretation.

“Act” means the Financial Transactions Reporting Act; Ch. 368.

“batch file transfer” means a transfer comprised of several individual wire transfers that are sent by a payer to the same financial institution, irrespective of whether the individual wire transfers are intended ultimately for one or more payees;

“beneficiary financial institution” means a financial institution that receives, on behalf of a payee, funds that have been transferred to the payee;

“intermediary financial institution” means a financial institution, other than an originating or a beneficiary financial institution, that participates in the execution of wire transfers;

“one thousand dollars” means one thousand Bahamian dollars or its equivalent in foreign currency;

“originating financial institution” means a financial institution that initiates a wire transfer on behalf of a payer;

“payee” means a person who is the intended final recipient of transferred funds;

“payer” means either a person who holds an account and allows a wire transfer from that account, or, where there is no account, a natural or legal person who places an order for a wire transfer;

“straight-through processing” means payment transactions that are conducted electronically without the need for manual intervention;

“unique transaction identifier” means a combination of letters, numbers, or symbols, determined by a financial institution in accordance with the protocols of the payment and settlement system or messaging system used to effect the wire transfer, which permits traceability of the transaction back to the payer and the payee; and

“wire transfer” means any transaction carried out on behalf of a payer through a financial institution by electronic means with a view to making funds available to a payee at a beneficiary financial institution, whether or not the payer and payee are the same person.

## PART II OBLIGATIONS OF ORIGINATING FINANCIAL INSTITUTIONS

Duty to verify  
payer’s identity.

**3.** (1) Subject to paragraph (2), an originating financial institution shall, before conducting a wire transfer, verify the payer’s identity in accordance with section 11(1) of the Act and the Financial Transactions Reporting Regulations.

(2) Where the payer is a facility holder of the originating financial institution and the originating financial institution has already verified his identity in accordance with section 11(1) of the Act, the originating financial institution is not required to verify the payer’s identity pursuant to paragraph (1).

Information to  
accompany  
transfers.

**4.** Subject to regulations 5 and 6, originating financial institutions shall ensure that each wire transfer of one thousand dollars or more is accompanied by —

- (a) the payer’s —
  - (i) name;
  - (ii) account number, where an account is used to process the transaction or, if no account is used, a unique transaction identifier; and

- (iii) address or date and place of birth or the payer's national identity number or customer identification number; and
- (b) the payee's —
  - (i) name; and
  - (ii) account number, where an account is used to process the transaction or, if no account is used, a unique transaction identifier.

**5.** Where a batch file transfer comprises individual wire transfers of one thousand dollars or more from a single payer to payees outside The Bahamas, the originating financial institution shall be exempted from the requirements of regulation 4 in respect of the inclusion of the payer's information with each individual transfer, provided that —

Exemption for batch file transfers.

- (a) the batch file contains the information required under regulation 4 on —
  - (i) the payer;
  - (ii) the payees; and
- (b) the individual wire transfers include the payer's account number or, if no account is used, a unique transaction identifier.

**6.** Every wire transfer may be accompanied solely by the account number of the payer, or a unique transaction identifier, where —

Requirements for domestic wire transfers.

- (a) the originating financial institution of the payer and the beneficiary financial institution of the payee are both situated in The Bahamas; and
- (b) the originating financial institution provides the complete payer information prescribed in regulation 4 to any intermediary or beneficiary financial institution requesting such information within three business days of such a request.

**7.** Where the beneficiary financial institution of the payee is situated outside of The Bahamas, transfers of funds of less than one thousand dollars must be accompanied by the information required under subparagraphs (i) and (ii) of paragraph (a) and paragraph (b) of regulation 4.

Cross-border wire transfers below one thousand dollars.

**8.** An originating financial institution shall keep for five years, a record of any information on the payer and the payee obtained under regulations 3 and 4.

Retention of records.

Refusal to  
execute wire  
transfers.

- 9.** Where an originating financial institution —
- (a) is unable to comply with the requirements specified in regulations 3 through 7; or
  - (b) has any suspicion of money laundering or terrorism financing,

the originating financial institution shall not execute the wire transfer.

### **PART III OBLIGATIONS OF INTERMEDIARY FINANCIAL INSTITUTIONS**

Technical  
limitations.

**10.** (1) Intermediary financial institutions shall ensure that payer and payee information received with a wire transfer remains with the transfer unless technical limitations of the payment systems prevent this.

(2) Where technical limitations prevent the required payer and payee, or payer or payee, information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer, the intermediary financial institution shall keep a record, for at least five years, of all the payer and payee, or payer or payee, information received from the originating financial institution or another intermediary financial institution.

(3) Where an intermediary financial institution receives a wire transfer that does not have complete payer and payee, or payer or payee, information as required under these Regulations, it shall use a payment system with technical limitations only if —

- (a) it informs the beneficiary financial institution or the other intermediary financial institution that it does not have complete payer and payee, or payer or payee, information as required;
- (b) it informs the beneficiary financial institution or the other intermediary financial institution that it intends to use a payment system with technical limitations; and
- (c) it conveys the information in sub-paragraphs (a) and (b) using a form of communication accepted by, or agreed between, itself and the beneficiary financial institution or the other intermediary financial institution.

(4) Where the intermediary financial institution uses a payment system with technical limitations, it shall, upon



---

request from the beneficiary financial institution or another intermediary financial institution, provide all the payer or payee information it has received, whether complete or not, within three business days of receiving the request.

**11.** Intermediary financial institutions shall take reasonable measures, which are consistent with straight-through processing, to identify cross-border wire transfers that lack the required payer and payee information. Detection of missing payer and payee information.

**12.** Intermediary financial institutions shall adopt risk-based policies and procedures that enable them to determine — Duty to assess risks.

- (a) when to execute, reject or suspend wire transfers that are not accompanied by the complete payer and payee information as required; and
- (b) the appropriate follow-up action.

#### **PART IV OBLIGATIONS OF BENEFICIARY FINANCIAL INSTITUTIONS**

**13.** Every beneficiary financial institution shall take reasonable measures, which may include post-event monitoring or real-time monitoring where feasible, to identify cross-border wire transfers that lack required payer and payee information. Detection of missing payer and payee information.

**14.** (1) Subject to paragraph (2), a beneficiary financial institution shall, before paying out funds in cash or cash equivalent to a payee in The Bahamas with respect to a cross-border wire transfer of one thousand dollars or more, verify the payee's identity is provided under section 11(1) of the Act and the Financial Transactions Reporting Regulations. Duty to verify identity.  
Ch. 368.

(2) Where the payee is a facility holder of the beneficiary financial institution and the beneficiary financial institution has already verified his identity in accordance with section 11(1) of the Act, the beneficiary financial institution is not required to verify the payee's identity pursuant to paragraph (1).

**15.** (1) Every beneficiary financial institution shall adopt risk-based policies and procedures that enable them to determine — Duty to assess risks.

- (a) when to execute, reject, or suspend wire transfers that are not accompanied by the

complete payer and payee information as required; and

(b) the appropriate follow-up action.

(2) Where the originating financial institution repeatedly fails to provide the complete payer and payee information as required, the beneficiary financial institution shall give the originating financial institution a reasonable opportunity to correct the failures, before it —

(a) rejects any future transfers of funds from the originating financial institution;

(b) restricts its business relationship with the originating financial institution; or

(c) terminates its business relationship with the originating financial institution.

(3) Every beneficiary financial institution shall report any decision to reject future wire transfers from, or to restrict or terminate its business relationship with, the originating financial institution to the beneficiary financial institution's Supervisory Authority.

(4) Every beneficial financial institution shall consider missing or incomplete payer and payee information as a factor in assessing whether the wire transfer, or any related transaction, is suspicious, and whether it must be reported to the Financial Intelligence Unit in accordance with these Regulations and the Act.

## PART V OFFENCES AND PENALTIES

Offences.

**16.** (1) A financial institution that contravenes, or fails to comply with, any provision of these Regulations commits an offence and is liable on summary conviction to a fine of two thousand dollars.

(2) As an alternative to a prosecution under paragraph (1), the Supervisory Authority of a financial institution may, in accordance with the provisions of its governing statute, impose a fine of two thousand dollars upon a financial institution that contravenes, or fails to comply with, any provision of these Regulations.

## PART VI MISCELLANEOUS

Exempt wire transfers.

**17.** These Regulations shall not apply to —

- 
- (a) a wire transfer where the payer withdraws cash from his own account;
  - (b) credit or debit card transactions if —
    - (i) the payee has an agreement with a financial institution permitting payment for the provision of goods and services;
    - (ii) the payee has a unique transaction identifier that allows the transaction to be traced back to the payer; and
    - (iii) the unique transaction identifier accompanies all transfers flowing from the transaction;
  - (c) a debit transfer authorisation between two parties permitting payments between them through accounts if a unique transaction identifier accompanies the wire transfer enabling the transaction to be traced back to the payer;
  - (d) fines, penalties, duties and other taxes within The Bahamas; or
  - (e) transfers and settlements where both the payer and payee are financial institutions acting on their own behalf.

**18.** Every financial institution that controls both the originating and the beneficiary side of a wire transfer shall —

Suspicious transaction reporting.

- (a) take into account all the information from both the originating financial institution and the beneficiary financial institution in order to determine whether a suspicious transaction report has to be filed; and
- (b) where applicable, file a suspicious transaction report in any country affected by the suspicious wire transfer and make relevant transaction information available to the appropriate authorities.

**19.** The Financial Transactions Reporting (Wire Transfers) Regulations is revoked.<sup>1</sup>

Revocation.

---

<sup>1</sup> Sub. Leg. Vol. VI, Ch. 368, pg. 11 (S.I. 14/2009)