

MINISTRY OF FINANCE

S.I.No.111
of 2000

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

THE FINANCIAL TRANSACTIONS REPORTING REGULATIONS (No. 1), 2000

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

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| 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 for verification | 3.(1) Where a financial institution is required to verify the identity of any person, the following information is required:- <ul style="list-style-type: none">(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 first four pages of passport or copy of national identity card showing the following details:-<ul style="list-style-type: none">(i) number and country of issuance;(ii) issue date and expiry date;(iii) signature of the person;(h) signature;(i) purpose of the account and the potential account activity;(j) written authority to obtain independent verification of any information provided; |

- (k) source of income or wealth; and
 - (l) written confirmation that all credits to the account are and will be beneficially owned by the facility holder;
 - (m) 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 verifi-
cation 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, except a publicly traded company;
- (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 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;
- (j) written authority to obtain independent verification of any information provided;
- (k) written confirmation that all credits to the account are and will be beneficially owned by the facility holder;
- (l) 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;

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

- 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.
- (2) Where the financial institution has obtained in writing confirmation from a foreign financial institution located in a country mentioned in the First Schedule of the Financial Transactions Reporting Act, 2000, that the other financial institution has verified the identity of the person or of the corporate 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.**

Made this 29th day of December, 2000

Signed
WILLIAM C. ALLEN
Minister of Finance