



EXTRAORDINARY

OFFICIAL GAZETTE

THE BAHAMAS

PUBLISHED BY AUTHORITY

NASSAU

28th May, 2021

FINANCIAL TRANSACTIONS REPORTING (AMENDMENT) REGULATIONS, 2021

Arrangement of Regulations

Regulation

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MINISTRY OF FINANCE

S.I. No. 61 of 2021

FINANCIAL TRANSACTIONS REPORTING ACT, 2018

(NO. 5 OF 2018)

**FINANCIAL TRANSACTIONS REPORTING
(AMENDMENT) REGULATIONS, 2021**

In exercise of the powers conferred upon me by section 59 of the Financial Transactions Reporting Act, 2018 (*No. 5 of 2018*), I hereby make the following Regulations —

1. Citation.

These Regulations may be cited as the Financial Transactions Reporting (Amendment) Regulations, 2021.

2. Amendment of regulation 3 of the principal Regulations.

Regulation 3 of the principal Regulations is amended by the insertion immediately after paragraph (a) of the following new paragraph —

“(aa) the occasional transactions of a digital asset service provider, whether such transaction is single transaction or are linked transactions, which are equal to or exceeding a thousand dollars;”.

3. Revocation and replacement of regulations 5 and 6 of the principal Regulations.

The principal Regulations amended by the revocation of regulations 5 and 6 and the replacement of the following —

“5. Verification of corporate entity.

- (1) Where a financial institution is required to verify the existence of a corporate entity, the financial institution shall require that corporate entity to submit —
 - (a) a certified copy of the certificate of incorporation;
 - (b) a certified copy of the Memorandum of Association and Articles of Association of the entity;
 - (c) a certified copy of the resolution of the Board of Directors of the corporate entity authorizing the opening of the account and conferring authority on the natural person who will operate the facility;

- (d) documentary evidence as is required under regulation 6 for the verification of the natural person who will operate the facility;
 - (e) documentary evidence to satisfy the requirements for the identification and verification of the identity of the beneficial owners of the corporate entity —
 - (i) who have a ten percent or more controlling interest in the corporate entity;
 - (ii) to the extent that there is doubt under subparagraph (i) as to whether the person with the controlling interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person if any exercising control of the legal person or arrangement through other means; or
 - (iii) where no natural person is identified under subparagraph (i) or (ii), the identity of the relevant natural person who holds the position of senior managing official;
 - (f) a certificate of good standing;
 - (g) the location of the registered office and, if different, the location of the principal place of business;
 - (h) a description of the nature of the business including —
 - (i) the date of commencement of the business;
 - (ii) a description of the products or services provided by the business;
 - (iii) the location of the principal place of business;
 - (i) the purpose of the facility and the potential parameters of the facility including —
 - (i) size, in the case of investment and custody facilities;
 - (ii) balance ranges, in the case of deposit facilities;
 - (iii) the expected transaction volume of the facility; and
 - (j) such other official documentary and other information as is reasonably capable of establishing information on the customer's ownership and control structure of the corporate entity.
- (2) In addition to the requirements specified in paragraph (1), a financial institution may require —
- (a) the names and addresses of all officers and directors of the corporate entity;

- (b) written confirmation that all credits to the facility are and will be beneficially owned by the facility holder except in circumstances where the facility is being operated by an intermediary for the purpose of holding funds in his professional capacity.

6. Verification of identity of partnership or unincorporated business.

- (1) Where a financial institution is required to verify the identity of a partnership or other unincorporated business, pursuant to section 7(1) of the Act, the following information shall be required —
 - (a) verification of all partners or beneficial owners in accordance with regulation 4;
 - (b) a copy of the partnership agreement, if any, or other agreement establishing the unincorporated business;
 - (c) the 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) the description and nature of the business including —
 - (i) the date of the commencement of the business;
 - (ii) a description of the product or service provided by the business;
 - (iii) the location of the principal place of business;
 - (e) the purpose of the account and the potential parameters of the facility including —
 - (i) size, in the case of investment and client facilities;
 - (ii) balance ranges, in the case of deposit and client facilities;
 - (iii) the expected transaction volume of the facility;
 - (f) any documentary evidence as is required under regulation 4 for the verification of the natural person who will operate the facility.

- (2) In addition to the requirements specified in paragraph (1), the financial institution may require —
- (a) written confirmation that all credits to the facility are and will be beneficially owned by the facility holder except in circumstances where the facility is being operated by an intermediary for the purpose of holding funds in his professional capacity; and
 - (b) such documentary or other evidence as is reasonably capable of establishing the identity of a partner or beneficial owner.”.

Made this 28th day of May, 2021

Signed
HUBERT MINNIS
Minister of Finance