



PRESS RELEASE

Bahamas Releases Summary Report of Money Laundering and Terrorist Financing National Risk Assessment

The Bahamas remains committed to the implementation of international standards in the fight against money laundering, terrorist financing, and proliferation financing. In keeping with the Financial Action Task Force (FATF) Recommendations, the jurisdiction has released a summary report of the National Risk Assessment (NRA). The NRA received approval from the Government of The Bahamas (the Cabinet) on December 5, 2017. It represents the combined efforts of more than a dozen public and private sector stakeholders.

Key Findings from the NRA:

On the national level, The Bahamas faces internal and external Money Laundering (ML)/Terrorist Financing (TF) threats, including:

- fraud, human, gun and drug smuggling/trafficking, and trade based schemes as the main threats emanating from domestic origins; and
- fraud (inclusive of tax fraud), money laundering, drug trafficking, and trade based schemes in other jurisdictions.

Vulnerabilities identified at the national level were found to include:

- the need to strengthen and enhance the AML/CFT framework and implementation of same;
- the need to boost resources (manpower, IT tools, formal procedures, specialized training) for border control;
- the need to boost prosecutorial resources;
- the need for timely Suspicious Transaction Report (STR) data analysis and dissemination to stakeholders (feedback to financial institutions and data to financial crime investigators) and to boost resources to address this issue;
- the need to boost resources for asset forfeiture investigators;
- the need for the identification and development of cross-cutting, appropriate data collection and analysis techniques and mechanisms; and the need for regulatory briefings and outreaches to financial and non-financial sector licensees and registrants; and
- there are also sector-specific high level findings.

In response, The Bahamas intends to initiate action around six key areas. Further, the Central Bank has begun a series of inter-related strategic initiatives:

- expanding from AML/CFT on-site examinations to examination plus continuous AML/CFT supervision;
- developing and implementing a permanent AML Analytics Unit in the Bank Supervision Department;
- integrating stakeholder feedback with the findings of the NRA and 2017 CFATF Mutual Evaluation Report (MER) to plan revisions to the Bank's AML/CFT guidelines;
- revising the Bank's communication strategy to facilitate greater stakeholder engagement on AML/CFT/CPF risk management; and
- holding an industry briefing to discuss the forthcoming consultation paper on the Bank's revised approach to AML/CFT supervision.

The Bank will continue to co-operate with domestic and international stakeholders to provide robust, risk-based AML/CFT supervision.

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Note: this document amends the release dated 11 December 2017. The reference to "the Cabinet" was expanded upon.