

**NOTICE OF AMENDMENT
TO
GUIDELINES FOR LICENSEES ON THE PREVENTION OF MONEY LAUNDERING AND
COUNTERING THE FINANCING OF TERRORISM FINALISED**

Published: August 11, 2011

NOTICE is hereby given of the release of the Securities Commission of The Bahamas amended Guidelines for Licensees and Registrants on the Prevention of Money Laundering and Countering the Financing of Terrorism (“AML/CFT Guidelines”). The updated AML/CFT Guidelines were approved by the Board on June 30, 2011 and brought into effect on August 11, 2011.

The AML/CFT Guidelines have been amended to:

- i. Clarify the customer due diligence (CDD) know your customer (KYC) verification procedures for investment funds licenced or registered pursuant to the Investment Funds Act, 2003 (“IFA”) specifically as it relates to the application of simplified or reduced due diligence in respect of investment funds pursuant to regulation 5A(e) of the Financial Transactions Reporting Regulation (Chapter 368);
- ii. Reflect an amendment made to the IFA. Pursuant to section 7 of the Investment Funds (Amendment) Act, 2010, the IFA was amended to include section 62A. Section 62A of the IFA, allows the Commission to publish guidelines of any provision, regulation or rule made under the IFA. Following the amendment to section 94 of the SIA which essentially provides for the enforceability of any guideline issued by the Commission under the SIA, it was essential that this authority was also clearly prescribed under the provisions of the IFA; and
- iii. Address any inconsistencies that may arise between the Securities Industry legislation and the said AML/CFT Guidelines. Where there is a conflict between the adopted provisions of the Central Bank’s Guidelines for Licensees and Registrants on the Prevention of Money Laundering and Countering the Financing of Terrorism and the legislative provisions of the Securities Commission, the Securities Commission’s legislation should be followed in all circumstances.

The Securities Commission of The Bahamas amended 'Guidelines for Licensees and Registrants on the Prevention of Money Laundering and Countering the Financing of Terrorism' have been posted on the Securities Commission's website for your viewing at www.scb.gov.bs.

Any questions regarding these Guidelines should be directed to:

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