

## PRESS RELEASE

Contact: Mr. Dave Smith  
242- 397-4100

FOR RELEASE ON OR AFTER 15 APRIL 2013

### REGULATORS COLLABORATE ON AML/CFT TRAINING

Over 80 Financial and Corporate Service Providers (FCSPs) were hosted to a special collaborative training effort by two of their regulators and a critical industry stakeholder on Monday 8 April 2013.

In its capacity as the Inspector of Financial and Corporate Services (the “Inspector”), the Securities Commission of The Bahamas (SCB) hosted the Industry Briefing at the British Colonial Hilton, Nassau. The Inspector teamed up with the Financial Intelligence Unit (FIU) and the Bahamas Association of Compliance Officers (BACO) for the session.

“The Securities Commission of The Bahamas is pleased to collaborate with the Financial Intelligence Unit and the Bahamas Association of Compliance Officers to ensure awareness and compliance,” said SCB Executive Director Dave S. Smith.

“The undertaking to ensure compliance with enacted legislation such as the Financial Transactions and Reporting Act, 2000, the Anti-Terrorism Act and other key legislative requirements is made easier when there is collective engagement among industry stakeholders.”

FIU Legal Counsel and Training Officer Joann Fritz-Creary provided training on Anti-Money Laundering and Combating Terrorist Financing.

Among the topics Fritz-Creary covered were an explanation of what money laundering is and how it occurs, what constitutes terrorist financing, what a suspicious transaction is, how to prepare a Suspicious Transactions Report and reporting obligations. She also engaged the audience in several extra-jurisdictional case studies.

BACO Executive Latonia Symonette-Tinker delved into the importance of proper risk management for financial institutions to be in compliance with relevant laws and avoid being used as conduits for money laundering, terrorist financing and other criminal activities. She cited the *Anti-Money Laundering & Anti-Terrorism Financing Handbook & Code of Practice for Financial and Corporate Service Providers*, and the Central Bank of The Bahamas’ adopted *Guidelines for the Prevention of Money-Laundering and Countering the Financing of Terrorism*, saying that a documented risk-based Know You Customer (KYC) process is required.

According to Symonette-Tinker, no single risk rating methodology exists for all reporting entities. She said that approaches to risk rating generally involve the identification and measurement of potential risks for money laundering and terrorist financing, the development of strategies to mitigate those risks, and the focusing of resources to best manage 'high-risk' clients and business activities.

Officer in the SCB's Inspections Department, Robertha Davis, said she hoped her presentation would help allay concerns FCSPs may have about onsite inspections and gave practical examples of how licensees could facilitate a smooth onsite inspection.

During an onsite inspection, appointed agents of the Inspector visit the premises of the FCSP operator to conduct the examination. Davis explained that the examination focus has been broadened in scope from Anti-Money Laundering (AML) to include modules such as a review of corporate governance and financial operations. Davis stressed the importance of good record-keeping, informed responses and an organized filing system as key in aiding and efficient examination.

The SCB issued a risk assessment survey to FCSP licensees to be better informed about the products, services and other demographic information to facilitate oversight appropriate to the risk inherent in individual FCSP operations. Ultimately, this exercise would assist in determining the frequency of examinations for Financial and Corporate Service Providers.

The Commission was appointed the Inspector on 1 January 2008, and is therefore responsible for ensuring all persons operate in accordance with the Financial and Corporate Service Providers Act, which provides for the licensing and regulation of FCSPs.

**The Securities Commission of The Bahamas ("the Commission") is a statutory body established in 1995 pursuant to the Securities Board Act, 1995. That Act has since been repealed and replaced by new legislation. The Commission's mandate is now defined in the Securities Industry Act, 2011 (SIA, 2011). The Commission is responsible for the administration of the SIA, 2011 and the Investment Funds Act, 2003 (the IFA), which provides for the supervision and regulation of the activities of the investment funds, securities and capital markets. The Commission, having been appointed Inspector of Financial and Corporate Services effective 1 January 2008, is also responsible for administering the Financial and Corporate Service Providers Act, 2000.**

**The Commission's is mandated to: advise the Minister on all matters relating to the capital markets and its participants; maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities; foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets; protect the integrity of the capital markets against any abuses arising from financial crime, market misconduct and other unfair and improper practices; promote an understanding by the public of the capital markets and its participants and the benefits, risks, and liabilities associated with investing; create and promote conditions that facilitate the orderly development of the capital markets; and perform any other function conferred or imposed on it by securities laws or Parliament.**

**The Securities Commission of The Bahamas  
3<sup>rd</sup> Floor, Charlotte House  
Charlotte Street  
P.O. Box N- 8347  
By fax to: (242) 356-6291/2  
By email to: [info@scb.gov.bs](mailto:info@scb.gov.bs)  
Website: [www.scb.gov.bs](http://www.scb.gov.bs)**



The Securities Commission of The Bahamas (SCB), the Financial Intelligence Unit (FIU) and The Bahamas Association of Compliance Officers (BACO) collaborated on a Financial and Corporate Service Provider Industry Briefing 8 April 2013. Presenters are pictured along with the SCB Executive Director (L-R): Mrs. Latonia Symonette-Tinker, Executive, BACO, Mr. Dave S. Smith, Executive Director, SCB, Mrs. Joann Fritz-Creary, Legal Counsel and Training Officer, FIU and Ms. Robertha Davis, Officer, SCB.