SECURITIES COMMISSION OF THE BAHAMAS
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12 August 2026

Dear Licensee/Registrant:

NOTICE RE: ISSUANCE OF GUIDANCE NOTE ON SELF-RISK ASSESSMENTS AND COMPANION TOOLS

The Securities Commission of The Bahamas (the "Commission") today issues its **Guidance Note on Self Risk Assessments (Money Laundering, Terrorist Financing and Proliferation Financing)**, together with two voluntary companion tools: the **SRA Template and Illustrative Structure** and the **SRA Risk Assessment Matrix**. All three documents are available on the Commission's website.

A self-risk assessment ("SRA") is the assessment every licensee and registrant is required to conduct of its own money laundering, terrorist financing and proliferation financing risks under Part II, section 5 of the Financial Transactions Reporting Act, 2018. It is the assessment referred to in the FATF Recommendations as the business or business-wide risk assessment, and it is the foundation of the risk-based approach: it determines where a firm's due diligence, monitoring, screening, training and resources should be focused.

What is being issued

The Guidance Note sets out the Commission's expectations of an adequate SRA: ownership and approval by the firm's board or owners; a stated methodology; assessment of customer, product and service, delivery channel and geographic risks, with proliferation financing addressed separately; an honest view of how well controls actually work; clear written conclusions; review at least annually and before launching a new product or using new technology; and demonstrable use of the assessment in running the business. Sector-specific risk factors for digital asset businesses, financial and corporate service providers, and securities and fund services are set out in its appendices.

The Template guides firms step by step through producing the written assessment, with a worked example for each sector showing what a concise, adequate SRA looks like in practice.

The Risk Assessment Matrix is an Excel workbook with a separate sheet for each licence type. Every risk factor is explained in plain language, firms complete only the yellow cells, and the workbook calculates the results and walks the user from scores to written conclusions.

Key points for licensees and registrants

One standard, applied proportionately. The same elements apply to every firm; the depth expected scales with the nature, scale and complexity of the business. A small firm with a simple, lower-risk business can satisfy the standard in a concise document — the tools are designed so that it can do so without external assistance.

The tools are voluntary. A firm may use its own format, a group format, or one prepared with a consultant, provided the assessment covers the required areas at a minimum and genuinely reflects the firm's own business. Using the template or the workbook is not, by itself, compliance.

No filing is required. The SRA is not submitted to the Commission on a standing basis. It must be kept current and approved, and produced to the Commission at examination or upon request (FTRA, section 5(1)(e)).

Scope. The Guidance Note applies to all licensees and registrants subject to AML/CFT/CPF obligations. Investment funds themselves, and registered investment fund managers in their capacity under the Investment Funds Act, 2019, are outside its scope; fund-related risks are assessed within the SRA of the administrator or other service provider, and persons registered under the Securities Industry Act, 2024 remain fully covered as SIA registrants.

What firms should do now

The expectations in the Guidance Note apply with immediate effect. Firms should review their current self-risk assessment against the Guidance Note at their next annual review, or earlier upon any trigger event — in particular before launching a new product or business practice or adopting new technology, when section 5(2) of the FTRA requires a risk assessment to be carried out in advance. Firms without a current documented SRA should prepare one; the companion tools are designed to make this straightforward for firms of every size.

Enquiries concerning the Guidance Note or the companion tools may be directed to the Supervision Department of the Commission at supervision@scb.gov.bs .