



No. 23 of 2003

**AN ACT TO AMEND
THE FINANCIAL TRANSACTIONS REPORTING ACT**

[Date of Assent: 31st December, 2003]

Enacted by the Parliament of The Bahamas

**Short title
and
commence-
ment.
Ch. 368.**

1. (1) This Act may be cited as the Financial Transactions Reporting(Amendment) Act, 2003.
- (2) This Act shall come into force on the 1st day of January, 2004 .

**Amendment
of section
3 of the
principal Act.**

2. Subsection (1) of section 3 of the principal Act is amended by the deletion of paragraph (i) and the substitution therefor of the following -

“ (i) an investment fund administrator or operator of an investment fund within the meaning of the Investment Funds Act, 2003;”.

**Amendment
of section 6 of
the Principal**

3. Section 6 of the principal Act is amended by the deletion of subsection (6) and the substitution of the following -

Act.

“ (6) A financial institution shall verify the identity of any facility holder of any facility in existence prior to the 29th December, 2000 (hereinafter referred to as “an existing facility”):

Provided that where an existing facility has not been verified under this section as of the 1st day of April, 2004, the financial institution shall notify its Supervisory Authority who shall issue directions in writing to the financial institution in relation to that facility and such directions shall include the power to suspend or discontinue any further activity with the facility until such time as the verification has been made.

(7) In this section “Supervisory Authority” means -

- (a) where the financial institution is a licensee of the Central Bank, the Central Bank;
- (b) where the financial institution is a licensee or registrant of the Securities Commission of The Bahamas, the Securities Commission;

- (c) where the financial institution is a licensee of the Inspector of Financial and Corporate Service Providers, the Inspector;
- (d) where the financial institution is a licensee of the Registrar of Insurance, the Registrar; or
- (e) where the financial institution is not licensed or registered as set out in subparagraphs (i) - (v) of section 3(1), the Compliance Commission.

(8) Any action taken by a Supervisory Authority under subsection (6) shall not be treated as a breach of any law and shall not give rise to any civil liability.”

Insertion of a new section 10A into the principal Act.

4. The principal Act is amended by the insertion immediately after section 10 of the following new section -

“Verification where offence under Proceeds of Crime Act suspected.

10A.(1) Notwithstanding section 14, a financial institution shall verify the identity of any person that conducts any transaction (whether as a facility holder or not) through a financial institution where the financial institution knows, suspects or has reasonable grounds to suspect that the transaction or proposed transaction involves proceeds of criminal conduct as defined in the

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Proceeds of Crime Act or any offence under the Proceeds of Crime Act or an attempt to avoid the enforcement of any

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provisions of the Proceeds of Crime Act.

(2) Where subsection (1) of this section applies, the financial institution shall verify the identity of the person as soon as practicable after the financial institution has reasonable grounds to suspect that a transaction is of the kind referred to under subsection (1).”