

# THE CENTRAL BANK OF THE BAHAMAS



## GENERAL INFORMATION AND APPLICATION GUIDELINES FOR NON-BANK MONEY TRANSMISSION SERVICE PROVIDERS AND NON-BANK MONEY TRANSMISSION AGENTS

**Issued: July 8, 2008**  
**Amended June 2, 2011**

Please submit all required documents to:

The Bank Supervision Department  
The Central Bank of The Bahamas  
Market Street  
P.O. N-4868  
Nassau, Bahamas

Tel: (242) 302-2615  
Fax: (242) 356-3909

Applications are not considered complete until all supporting documents are received.

Disclaimer: These Guidelines do not constitute financial or other professional advice. You should consult your professional adviser if you require financial or other advice. These Guidelines are subject to periodic review and amendment by The Central Bank of The Bahamas.

## I. INTRODUCTION

The Central Bank of The Bahamas (“the Central Bank”) is responsible for the licensing, regulation and supervision of non-bank money transmission businesses operating in and from within The Bahamas pursuant to the Banks and Trust Companies Regulation Act, 2000 (“BTCRA”) as amended<sup>1</sup>, the Central Bank of The Bahamas Act, 2000 (“CBA”) as amended<sup>2</sup>, the Banks and Trust Companies (Money Transmission Business) Regulations, 2008 (“the MTBR”), as amended. The Central Bank has the duty, in collaboration with these financial institutions, to promote and maintain high standards of conduct and management in the provision of money transmission services.

The Central Bank’s supervisory objective is to establish and maintain a prudent regulatory regime for the provision of money transmission services by non-bank institutions in The Bahamas, to preserve the integrity and soundness of the financial system and to ensure public safety. The Central Bank through the Inspector of Banks and Trust Companies (“*the Inspector*”) monitors the compliance of money transmission service providers (“*providers*”) with the conditions of their licences.

Given that money transmission businesses may be vulnerable to misuse for money laundering and terrorist financing, a crucial objective of the Central Bank is to ensure that providers and money transmission agents (“agents”) engage the proper internal systems, policies and controls to guard against perpetrators of money laundering and terrorist financing. The Central Bank endorses the principles and recommendations for international remittance services outlined in the World Bank and the Bank for International Settlements’ Committee on Payment and Settlement Systems consultative report “*General Principles for International Remittance Services*” issued January 2007 (<http://www.bis.org/publ/cpss76.pdf>). Providers and agents are encouraged to read and understand the main principles of this document and the principles set out in the Financial Action Task Force’s (“FATF”) best practices paper on “*Combating the Abuse of Alternative Remittance Systems*” (<http://www.fatf-gafi.org/dataoecd/39/17/34033713.pdf>) issued in June 2003.

## II. PURPOSE

These Guidelines outline the Central Bank’s policy with regard to the licensing of non-bank providers and the registration of money transmission agents. These Guidelines also specify the major considerations of the Central Bank in assessing applications for licensing providers, registering agents and the information that would normally be required in support of such applications. Further, these Guidelines set out the prudential, reporting and other regulatory requirements for providers and agents incorporated in The Bahamas.

## III. APPLICABILITY

The information and guidance provided herein apply to all non-bank providers licensed under the BTCRA and all non-bank agents registered under the BTCRA.

## IV. DEFINITIONS

**Money transmission business (or service)** is the business of accepting cash, cheques, other monetary instruments or other stores of value in one location and the payment of a corresponding sum in cash or other form to a beneficiary in another location by means of a communication, message, transfer or

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<sup>1</sup> See the Banks and Trust Companies Regulation (Amendment) Act, 2008.

<sup>2</sup> See the Central Bank of The Bahamas (Amendment) Act, 2008.

through a clearing network to which the money transfer business belongs. Remittances may be domestic or international.

**Money transmission service provider** is defined as any person carrying on a money transmission business.

**Money transmission agent** is defined as any person carrying on money transmission business on behalf of a money transmission service provider.

## **V. REGULATORY FRAMEWORK FOR NON-BANK MONEY TRANSMISSION SERVICES**

The Central Bank, in accordance with section 3A of the BTCRA, is the authority with responsibility for licensing all non-bank providers of money transmission services. Any person wishing to carry on a money transmission business is required to make an application to the Governor of the Central Bank for the grant of a licence, in accordance with Section 3A(a) of the BTCRA and regulation 4(1) of the MTBR. Persons licensed under the BTCRA do not also need to obtain a Financial and Corporate Service Providers licence. Additionally, in accordance with Section 3(A) (b) of the BTCRA and regulation 6(1) of the MTBR any person desiring to carry on money transmission business on behalf of a licensed provider must first register with the Central Bank.

Persons engaged in the provision of money transmission services prior to commencement of the MTBR are required to make an application to the Governor for a license pursuant to section 3A(a) of the BTCRA within three months of the MTBR coming into force in accordance with regulation 3(2) of the MTBR.

Any person who carries on money transmission business without a license commits an offence and is liable upon summary conviction to a fine not exceeding one hundred thousand dollars (\$100,000) or to imprisonment for a term not exceeding five (5) years or both, and for a continuing offence a fine not exceeding two thousand five hundred dollars (\$2,500) for each day during which the offence continues (section 3(7), BTCRA). Any person who carries on money transmission business as an agent on behalf of a provider without having registered with the Central Bank commits an offence and is liable upon summary conviction to a fine of ten thousand dollars (\$10,000) (see regulation 11 of the MTBR).

## **VI. PROCEDURES AND DOCUMENTATION REQUIREMENTS FOR LICENCE APPLICATIONS FROM MONEY TRANSMISSION SERVICE PROVIDERS**

Regulation 3(1) of the MTBR lay out the requirements for licence applicants, which are summarised in these Guidelines.

The licence application review process involves scrutiny and analysis of all documentation submitted as part of an application. The Central Bank's licensing criteria include a "fit and proper" test, which assesses the probity and integrity as well as the experience level of shareholders, directors and senior executives. With respect to the soundness of the business plan, discussions are held with applicants and feasibility plans and business projections are reviewed in detail.

An applicant for licensing must apply in writing to the Bank Supervision Department in the manner directed in these Guidelines (see Appendix I)<sup>3</sup>. In addition to the information requested in these

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<sup>3</sup> Please note that Company Applicants are required to complete Appendix I Form I. Group Applicants are required to complete Appendix I Form II.

Guidelines, the Central Bank may require the applicant to provide any other information as it considers necessary to enable it to make a final determination on an application.

**A. Pre-application Meeting**

All applicants are required to contact the Bank Supervision Department of the Central Bank to discuss their applications prior to submitting an application for the Bank's formal approval.

**B. The Application Process**

Upon receipt, the application will be assigned a file number and reviewed for completeness. Any outstanding or additional information or requirements will be requested from the applicant.

Only applications accompanied by all required supporting documents will be reviewed for approval determination. The Central Bank will then advise the applicant of its decision and where approved, the conditions of licensing, if any. The average processing time of a licence application is two (2) months.

**C. Who May Operate a Money Transmission Business in The Bahamas**

Companies incorporated under the Companies Act, 1992 and group applicants comprising not less than five individuals may apply for a providers licence to provide money transmission services in and from within The Bahamas.

**D. The Right to Reject an Application**

The Central Bank may reject applications, which do not meet, to the satisfaction of the Governor, any of the following considerations laid out in regulation 4(2) of the MTBR:

- i. whether the applicant is a "fit and proper"<sup>4</sup> person or company to carry on money transmission services;
- ii. the business record and experience of the applicant;
- iii. the nature and sufficiency of the financial resources of the applicant to provide continuing financial support for the money transmission business;
- iv. the soundness and feasibility of the business plan;
- v. whether the applicant, if an individual, is resident in The Bahamas or, if a company, incorporated under the Companies Act, 1992;
- vi. whether those who will operate the money transmission business will do so responsibly and whether such persons have the character, competence and experience for operating a money transmission business;

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<sup>4</sup> See Guidelines for Assessing the Fitness and Propriety of Applicants for Regulated Functions

- vii. whether the applicant will have adequate insurance coverage to cover the risks inherent in the nature and scale of the money transmission business operations; and
- viii. the best interests of the financial system of The Bahamas.

#### **E. Documentation Requirements for Companies**

In the case of a company making application for a licence to operate a money transmission business the following information is required:-

- i. the name of the company applicant, which should include the applicant's trading name (if different);

*The applicant's name should not resemble the name of existing or past licensees. It should not falsely describe the intended business. It should not falsely suggest a national/government affiliation. Further, the use of the term 'bank' may not be used.*

*The applicant may offer one or several names for consideration, in order of preference. The acceptable name will be reserved with the Registrar of Companies with the restriction that the applicant is not to conduct any business under that name until approval has been given for the grant of a Money Transmission Service Provider's licence.*

- ii. the address of the head or parent office of the company applicant including mailing address;

*Please give the complete mailing address of the company head office, including the name and title of the relevant Senior Official. Please also provide the relevant telephone number(s), email address (es) and website address of the head or parent company (where applicable).*

- iii. the history, activity, present structure and organization of the company applicant;
- iv. annual reports (including audited consolidated financial statements) of the corporate applicant or parent for the three consecutive financial years immediately preceding the date of application;
- v. un-audited consolidated financial statements of the applicant or parent as at the end of the most recent quarter prior to submission of the application, certified by a director or senior officer;
- vi. the proposed name of the money transmission business to be established, if different from the applicant;
- vii. the address of the proposed money transmission business in The Bahamas; and

*The applicant is not expected to establish physical presence before approval has been granted. However, please provide details of the proposed physical address, which should at a minimum, meet the requirements set out in Part VIII of this document.*

- viii. a detailed business plan.

**F. Documentation Requirements for Group Applicants**

In the case of group applicants for a licence to operate a money transmission business, application may be made by a group of no fewer than five individuals. Such individuals shall be referred to as ‘group applicants’ and the following information is required:-

- i. Name of each individual making application;
- ii. Business and personal address of each individual applicant including mailing address;
- iii. Proposed corporate name of the money transmission business;
- iv. Address of the proposed entity in The Bahamas;

*The applicant is not expected to establish physical presence before approval has been granted. However, please provide details of the proposed physical address, which should at a minimum, meet the requirements set out in Part VIII of this document.*

- v. A detailed business plan;
- vi. Date of formation, history, present structure and organization of the group applicant, and details of all business activities of the group;
- vii. Detailed comments regarding the position within the group, of any dominant member(s) of the group;
- viii. In the case of applicants to acquire and own, hold or exercise voting control of share capital in excess of 10% of share holdings in the proposed money transmission business, the current statements of assets and liabilities for each member of the group, certified by public accountants, which should be prepared no earlier than three months prior to the date of application; or
- ix. In the case of applicants to acquire and own, hold or exercise voting control of share capital of 10% or less, a concise net worth statement, certified by a public accountant, which indicates that the individual’s net worth is at least five (5) times the value of the shares to which the individual is subscribing.

**G. Ownership of Applicant and/ or Proposed Provider**

Corporate applicants are required to provide:

- i. a list of and background information on all direct or indirect shareholders who represent individually or as a group 5% or more of the voting rights and/or shares of the applicant at the time of application whether or not the shares of the applicant are publicly traded, including:
  - (a) full name, date of birth, nationality, and domicile;

- (b) a curriculum vitae, incorporating: personal data, educational background professional education and training, lists of previous professional activities (membership of professional organizations) and scope of responsibilities including details of the level and number of subordinates managed;
  - (c) two character references in original form from sources satisfactory to the Governor;
  - (d) one financial reference in original form from a financial institution acceptable to the Governor;
  - (e) a police or other certificate in original form, satisfactory to the Governor, confirming that the person has not been convicted of a serious crime or any offence involving dishonesty; and
  - (f) a certified Confidential Statement.
- ii. a copy of the Certificate of Incorporation and Memorandum and Articles of Association of the applicant, as may be appropriate, verified by statutory declaration made by a director or the secretary duly authenticated under seal.
  - iii. organizational chart showing the structure of the direct and indirect shareholdings of the applicant, analysed according to holdings of voting rights and/or shares; and
  - iv. particulars concerning the compositions of the direct and/or indirect structure of the ownership of the corporate entity.

**H. Group applicants are required to provide:**

- i. details of the proposed shareholding of each individual shareholder of the proposed licensee;
- ii. for each proposed shareholder, the following information:
  - (a) date and place of birth and nationality;
  - (b) curriculum vitae incorporating personal data; educational background; professional education and training.
  - (c) two character reference in original form from a source satisfactory to the Governor
  - (d) two financial references in original form from a financial institution acceptable to the Governor;
  - (e) a police or other certificate in original form, satisfactory to the Governor, confirming that the person has not been convicted of a serious crime or any offence involving dishonesty; and

- (f) a certified Confidential Statement.

## **I. Proposed Board of Directors and Senior Management**

The Central Bank's Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business within and from within The Bahamas ("the Corporate Governance Guidelines") provide high-level principles, which require licensees to implement comprehensive governance and risk management frameworks appropriate to the nature of their business and operations. Further, these Guidelines outline the duties and responsibilities of directors for the corporate governance of each licensee. All licence applicants will be expected to demonstrate plans for adherence to the Corporate Governance Guidelines.

Applicants are required to supply the following information in relation to the proposed licensee:

- i. particulars concerning the composition and organisation of the proposed board of directors and senior management;
- ii. for each proposed director or senior member of management, as the case may be, the following information is required;
  - (a) full name, date of birth, nationality, and domicile;
  - (b) curriculum vitae, incorporating: personal data, educational background; professional education and training, lists of previous professional activities (membership of professional organizations) and scope of responsibilities including details of the level and number of subordinates managed;
  - (c) two character references in original form from sources satisfactory to the Governor;
  - (d) one financial reference in original form from a financial institution acceptable to the Governor;
  - (e) a police or other certificate in original form, satisfactory to the Governor, confirming that the person has not been convicted of a serious crime or any offence involving dishonesty; and
  - (f) a certified Confidential Statement.

In its efforts to satisfy itself as to the fitness and propriety of senior management, The Bank may request additional information.

## **J. Money Laundering Reporting Officer and Compliance Officer**

Pursuant to Section 5 of the Financial Intelligence (Transactions Reporting) Regulations, 2001, providers are required to appoint a Money Laundering Reporting Officer ("MLRO") and a Compliance Officer and notify the Financial Intelligence Unit and the Inspector of the same. For small-scale operations, one of the Senior Officers may carry out the duties of the MLRO and/or the Compliance Officer. However, this individual must be appropriately trained to carry out these additional functions. The Bank reserves the right to require that different individuals carry out such duties.

## **K Business Rules and Internal Organization**

Applicants are required to supply the following information in relation to the proposed licensee:

- i. organizational chart detailing reporting lines and responsibilities;
- ii. a detailed overview/summary of internal control procedures to be put in place including but not limited to particulars regarding staffing, logistics and information technology and management information systems (Please note that all senior staff require the Bank's prior approval).
- iii. details regarding arrangements for internal audit including but not limited to reporting lines and scope of the function;
- iv. compliance programme, including but not limited to procedures relating to know-your-customer and anti-money laundering and countering the financing of terrorism requirements; and
- v. a copy of the Anti-Money Laundering /Countering the Financing of Terrorism (AML/CFT) Policies, which should include provisions for:-
  - (a) the internal systems of controls, policies and procedures;
  - (b) customer due diligence procedures;
  - (c) a risk based framework;
  - (d) a records management system; and
  - (e) education and training of employees in recognising and reporting suspicious transactions;
- vi. copies of all other internal policies and guidelines.

## **L. Business Plan**

Applicants are required to provide, in relation to the proposed licensee, a business plan for the first three years of operations. The plan must include but not be limited to the following details:

- i. a summary of the business proposal,
- ii. description of planned business activities, and targeted customer base;
- iii. detailed financial projections for the first three (3) years of operations including projected capital expenditures, cash flows, income statements and balance sheets.;
- iv. projection of the volume of transactions and fees to be levied for transactions;
- v. foreign and domestic agency arrangements;

- vi. appropriate arrangements for the maintenance of records in The Bahamas; and
- vii. arrangements for premises.

#### **M. Exchange Control Approval**

Applicants who intend to conduct international money transmission business (i.e. cross border transactions) must obtain exchange control approval to deal in foreign currency and, where necessary, to operate a foreign currency account with a commercial bank. The following documents should be submitted at the time of application in order for the applicant to obtain such approvals:-

- (a) a written outline of the complete flow of funds to all parties to the proposal, including the local and foreign commercial bank through which the applicant will operate foreign currency accounts and any charges so connected;
- (b) a written confirmation from the local commercial bank confirming that the bank has no objection to the account being operated to facilitate money transfer business;
- (c) a copy of the draft agreement between the foreign service provider and local applicant;
- (d) background information on the foreign service provider including evidence from the foreign service provider that it is licensed by the relevant supervisory/regulatory body in the country in which it is domiciled (e.g. a certificate of good standing); and
- (e) projection of the anticipated foreign exchange requirement over the first quarter post launch of operations.

#### **N. External Auditors**

Applicants are required to provide the name and address of the applicant's proposed auditor(s).

### **VII. PROCEDURES AND DOCUMENTATION REQUIREMENTS FOR REGISTRATION AS AN AGENT OF MONEY TRANSMISSION SERVICE PROVIDERS**

In accordance with section 3A (b) of the BTCRA and regulation 6(1) of the MTBR no person shall act as a money transmission agent, unless that person has first registered with the Central Bank. An applicant for registration must apply in writing to the Bank Supervision Department in the manner directed in these Guidelines (see Appendix II). In addition to the information requested in these Guidelines, the Central Bank may require the applicant to provide any other information as it considers necessary to enable it to make a final determination on an application.

In determining whether to register an agent, the Governor will have regard for the following:-

- a) the fitness and propriety of the agent to carry on money transmission services;
- b) the suitability of the written agreement between the agent and the provider;
- c) the professional reputation and experience of the agent;
- d) where the agent is an individual, whether he/she is resident in The Bahamas;
- e) where the agent is a corporate body, whether it is incorporated under the Companies Act 1992; and
- f) the best interests of the financial system in The Bahamas.

Where it is in the public interest the Governor may refuse to register an agent.

#### **A. Documentation Requirements for Agents of Money Transmission Service Providers**

The following documents and information shall be submitted to the Central Bank in support of the application for registration of agents:-

- i. a copy of the written agreement between the agent and the provider;

*Licensees wishing to operate a business for the provision of money transmission services through agents shall authorise each agent to operate based on a written contract. Further, agents shall not be authorised to appoint sub agents.*

- ii. where the agent is an individual the following is required:-

- a. date and place of birth and nationality;
- b. curriculum vitae incorporating: personal data; educational background; professional education and training; list of previous professional activities and scope of responsibilities, including details of the level and number of subordinates managed;
- c. two character references in original form from sources satisfactory to the Governor;
- d. one financial reference in original form from a bank or trust company licensed under the Banks and Trust Companies Regulation Act 2000[or licensed in a country specified in the First Schedule to the Financial Transactions Reporting Act]; and
- e. a police or other certificate in original form, satisfactory to the Governor, confirming that the person has not been convicted of a serious crime or any offence involving dishonesty.

- iii. where the agent is a company the following is required:-

- a. certified copy of the Certificate of Incorporation and Memorandum and Articles of Association of the applicant, as may be appropriate;

- b. certificate of good standing; and
- c. a list of all direct or indirect shareholders of the applicant.

## **VIII. REGULATORY REQUIREMENTS**

Providers are required to adhere to prudential requirements and ongoing supervisory programmes, including periodic on-site examinations, and required regulatory reporting set out by the Central Bank. Providers and their agents are also expected to conduct their affairs in conformity with all other relevant Bahamian legal requirements.

### **A. License, Registration and Location Fees**

Providers and their agents are required to pay annual license and registration fees of \$5,000 and \$300 respectively. In addition, Providers are required to pay \$250 for each location at which they have a Money Transmission Agent. Please note that pursuant to regulation 7 of the MTBR, providers are responsible for the collection and payment of registration fees for all of their agents to the Treasurer of The Bahamas.

### **B. Capital Requirements**

The provider should establish and maintain an unimpaired minimum capital of \$50,000 or such other sum as the Governor may require.

### **C. Insurance Coverage**

Providers are required to maintain adequate insurance coverage to cover the risks inherent in the nature and scale of the money transmission business. The Central Bank will review, in the course of its on-site examinations, inter alia, the adequacy of the insurance coverage (see Appendix III).

### **D. Policy on Physical Presence**

Providers are required to maintain adequate physical facilities in The Bahamas for all locations in which the business will operate. Providers are expected to demonstrate that they will secure facilities that at a minimum meet the following requirements:-

- i. appropriate, dedicated and secure office space consistent with the needs of the business;
- ii. appropriate and secure facilities (e.g. filing cabinets, electronic storage facilities, etc.) for custody and storage records;
- iii. appropriate communications facilities;
- iv. dedicated mechanical, and/or electronic facilities necessary to record and process the licensee's business activities;
- v. premises must bear appropriate exterior identification of the licensee's presence;

- vi. the licence issued must be prominently displayed on the premises; and
- vii. public access telephone and other numbers, mailing and street address must be listed for public availability.

The Inspector or his representative must have the ability to communicate with and meet the management of the operations within The Bahamas.

**E. Corporate Governance**

Providers are required to implement comprehensive governance and risk management frameworks appropriate to the nature of their business and operations. The Central Bank's Corporate Governance Guidelines provide direction and basic principles from which directors and senior management can develop and implement a corporate governance process appropriate to the unique character of each provider's operations.

Providers must appoint a minimum of two senior officers to be responsible for the day-to-day operations of the business. These officers must be resident in The Bahamas and must have the requisite knowledge, experience and integrity. Providers are encouraged to familiarize themselves with Guidelines for Assessing the Fitness and Propriety of Applicants for Regulated Functions prior to submitting any such applications for the Central Bank's approval.

**F. Corporate Governance Certificate**

Annually, within 120 days of the end of each calendar year, the Board of directors of all providers will be required to certify in writing to the Inspector that, using the advice and assistance of management, it has assessed and documented whether the licensee's corporate governance process is effective and that it has successfully achieved its objectives. The Board must report any material deficiencies and problems that are identified within the licensee, along with action plans and timetables for their correction.

Further, until a provider has undergone an on-site examination of its operations, it should include specifically in the above declaration a statement that it has also taken account of its obligations to comply with the Guidelines for Licensees on the Prevention of Money Laundering and Countering the Financing of Terrorism ("the AML/CFT Guidelines") issued by the Central Bank in October 2005. Any deficiencies in respect of these Guidelines should be noted and an Action Plan to remedy these deficiencies should be drawn up and submitted to the Inspector.

**G. Anti Money Laundering/Countering the Financing of Terrorism (AML/CFT) / Know Your Customer Policies**

In accordance with section 3(1) (j) (v) of the Financial Transaction Reporting Act, 2000 ("FTRA"), providers and their agents are covered by the definition of "financial institution". Consequently, providers and their agents are expected to adhere to all of the requirements of the FTRA, the Financial Transactions Reporting Regulations, 2000, ("FTRR") the Financial Intelligence Unit Act, 2000 ("FIUA") and subsidiary legislation made thereunder. These laws and regulations, inter alia, set out the minimum mandatory

requirements for customer identification, suspicious transaction reporting and retention of records systems that financial institutions are obligated to implement in relation to financial transactions.

The AML/CFT Guidelines incorporate both the mandatory minimum requirements of the FTRR and industry best practices. Licensees are expected to develop a risk-based framework for the prevention of Money laundering and Terrorist Financing.

## **H. Exchange Control Requirements**

Providers and their agents must adhere to all requirements for the transmission of foreign exchange and administration of the foreign exchange component of their business. Providers must submit, to the Exchange Control Department, periodic (quarterly) reports on transactions conducted under delegated authority, in the format specified by the Exchange Control Department, for all of their operations and those of their agents.

In addition, should any changes occur in arrangements with foreign or domestic agents, the provider must submit current documentation on such arrangements, which at a minimum outline the payment chain and arrangements secured by the provider and copies of the agents' most recent audited financial statements, where appropriate.

## **I. Record Keeping/Retention**

Providers are required to maintain books and accounts in accordance with regulation 9 of the MTBR with regard to all transactions carried out by providers and agents. In addition, providers and their agents are expected to adhere to the requirements set out in the Central Bank's *Guidance Note on Accounting and Other Records and internal control systems and Reporting Accountants' Reports Thereon* to the extent appropriate for their operations.

## **J. Reporting Requirements**

### **1. Financial Reporting**

In accordance with regulation 5(4) of the MTBR, all providers are required to produce annual audited financial statements. Such statements are to be prepared in accordance with International Financial Reporting Standards and must be furnished to the Inspector within three months of the end of the licensee's financial year.

Every licensee must annually furnish a copy of the finalized management letter from the external auditor to the Inspector within ten days of its receipt by the licensee and not later than 45 days after the expiration of the deadline for the submission of the financial statement.

Further, all providers are required to submit quarterly un-audited financial statements within twenty-one days of quarter end.

### **2. Annual Statutory Filing**

Providers are required to submit an Annual Statement, which is due within 10 days following the statutory deadline for filing with the Registrar General's Office. The Annual Statement should include:-

- i. a list of the board of directors and senior corporate executives;
- ii. a list of shareholders with any additions or deletions since last reporting date;
- iii. capital composition; and
- iv. a list of the names and addresses of all its money transmission agents.

**K. Regulated Activity**

Providers are required to seek the approval of the Governor for the implementation of any material changes to the licensee's operations including, but not limited to:-

- a. new appointments of senior management or directors;
- b. changes in shareholders or shareholdings;
- c. new location(s) (branches) or changes of existing location(s);
- d. change of external auditor;
- e. change of foreign service providers or agreements with such entities;
- f. modifications in scope of business activities undertaken; and
- g. new appointment of Money Transmission Agent(s).

Written notification should first be submitted to the Inspector for transmission to the Governor.

**L. On-site Examinations**

Section 13(2) of the BTCRA, authorizes the Inspector to conduct on-site examinations of all providers and their agents whenever he sees fit and when required by the Governor.

**APPLICATION FORM  
FOR A MONEY TRANSMISSION SERVICE PROVIDERS LICENCE AND AGENT  
REGISTRATION**

**Application form Guidance Notes**

1. A Senior Executive or other person responsible for the conduct of the business and having legal capacity to sign on behalf of the applicant should complete this form.
2. Be advised all sections of this form including the Declaration in Appendix IV and any additional information pages need to be filled out in full, insuring all documentation is correct and information supplied is accurate. The checklists in Appendices I and II and the insurance information set out in Appendix III must be filled out and returned to the Central Bank of The Bahamas along with the rest of this application form.
3. Appendix I Form I or II is to be filled out by non-bank Money Transmission Service Providers, as appropriate. Appendix II is provided for non-bank Money Transmission Service Agents.
4. Before completing this form, applicants should refer to the Banks and Trust Companies Regulation Act, 2000, as amended, and The Banks and Trust Companies (Money Transmission Business) Regulations, 2008 and the Guidance Notes issued periodically by the Central Bank of the Bahamas.
5. Application forms must be submitted either typed or written in BLOCK CAPITALS in ink.
6. The signatory should, on completion of the form, initial and date each page of the application and any supplementary sheets.
7. Completed applications with relevant supporting material should be sent to:-

Bank Supervision Department  
The Central Bank of The Bahamas  
P.O. Box N-4868  
Nassau, N.P., Bahamas

8. If you require further assistance or have any queries in connection with this application, please contact the Policy Unit of the Bank Supervision Department by telephone (242) 302 2615, by fax (242) 356 3909. Additional information may also be found on our website at <http://www.centralbankbahamas.com>

**APPENDIX I**

**FORM I**  
**APPLICATION FORM:**  
**COMPANY APPLICANTS FOR A NON-BANK MONEY TRANSMSSION SERVICE**  
**PROVIDER'S LICENCE**

Pursuant to Regulation 3(1) (a) of the Banks and Trust Companies (Money Transmission Business) Regulations, 2008

**PART I: DETAILS OF APPLICANT**

*Applicants are required to complete this page and submit all supporting documents outlined in the accompanying checklist.*

<b>1. Name of Company Applicant:</b>		
<b>2. Trading Name / Money Transmission Business Name (if different from above)</b>		<b>10. Licence Provider</b> <input type="checkbox"/> Company  <b>Operations</b> <input type="checkbox"/> International and domestic transmission  <input type="checkbox"/> Domestic transmission only
<b>3. Address of Head / Parent Office of the Company</b>	<b>4. Location and Mailing Address of Proposed Place of Business</b>	
<b>5. Address of Other Places of Business Within The Bahamas</b>	<b>6. Address of Foreign Service Provider (e.g. Western Union or MoneyGram)</b>	
<b>7. Contact Name, Phone Number and Address</b>	<b>8. E-Mail address</b>	<b>For Official Use Only</b>  Application received by: _____ Date: _____  Application Reviewed by: _____ Date: _____
<b>9. Name and Address of External Auditor:</b>		

**Checklist for Money Transmission Service Providers (Company Applicants)**

To assist you further in filling out this application form it is our pleasure to provide you with a checklist. Please crosscheck all requested items with the items you are providing.

<i>The application must be accompanied by the following items (as applicable):-</i>	<i>Check box</i>
<p>1. <b>Memorandum &amp; Articles of Association:</b> A copy of the Applicant’s Memorandum and Byelaws, and Certificate of Incorporation, as may be appropriate, verified by statutory declaration made by a Director or the Secretary duly authenticated under seal (Section (VI) (G) (ii) of the Guidelines).</p>	
<p>2. <b>Un-audited consolidated financial statements:</b> of the applicant or parent as at the end of the most recent quarter prior to submission of the application, certified by a director or senior officer (Section (E) (v) of the Guidelines).</p>	
<p>3. <b>Annual reports:</b> (including audited consolidated financial statements) of the applicant or parent company for three consecutive financial years immediately preceding the date of application (Section (E) (iv) of the Guidelines).</p>	
<p>4. <b>Detailed Business Plan:</b> A statement setting out the nature and scale of the money service business which is to be carried out by the applicant, and particulars of the arrangement(s) proposed for the operation of that business including ownership and structure which includes all the information contained in Section VI (E) (viii) and (L-Business Plan) and (K – Business Rules and Internal Organization) of the Guidelines.</p>	
<p>5. <b>Exchange Control:</b> specifically information pursuant to the requirements of Section VI (M – Exchange Control) of the Guidelines.</p>	
<p>6. <b>MLRO and Compliance Officer Requirements:</b> specifically information pursuant to the requirements of Section VI (J) of the Guidelines.</p>	
<p>7. <b>A list of and background information on all direct or indirect shareholders:</b> pursuant to Section VI (G) of the Guidelines.</p>	
<p>8. <b>Chart showing structure of the direct and indirect shareholdings:</b> Pursuant to the requirements of Section VI (G) iii, and iv of the Guidelines along with the history of the organization pursuant to Section (E) iii of the Guidelines.</p>	

<p>9. <b>Capital Requirements:</b> Evidence that the minimum of \$50,000 unimpaired capital asset requirement is met (Section VIII) (B) of the Guidelines.</p>	
<p>10. <b>Certificate of Insurance</b> (or proposed insurance coverage): Applicants must submit copy of insurance certificate and complete Appendix III. Please refer to Section (VIII) (C) of the Guidelines.</p>	
<p>11. <b>Particulars concerning the composition and organization:</b> of the proposed Board of Directors as outlined in section VI (I) of the Guidelines.</p>	

**APPENDIX I**

**FORM II  
APPLICATION FORM:  
GROUP APPLICANTS FOR A NON-BANK MONEY TRANSMISSION SERVICE PROVIDER'S  
LICENCE**

Pursuant to Regulation 3(1) (b) of the Banks and Trust Companies (Money Transmission Business) Regulations, 2008

**PART I: DETAILS OF APPLICANT**

*Applicants are required to complete this page and submit all supporting documents outlined in the accompanying checklist.*

<p><b>1. Name, Personal and Business Address of Each Applicant in the Group</b></p>	<p><b>7. Licence Provider</b>  <input type="checkbox"/> Group</p> <p><b>Operations</b>  <input type="checkbox"/> International and domestic transmission  <input type="checkbox"/> Domestic transmission only</p>
<p><b>2. Proposed Corporate Name(s) of the Money Transmission Business</b></p>	<p><b>For Official Use Only</b></p> <p>Application received by: _____  Date: _____</p> <p>Application Reviewed by: _____  Date: _____</p>
<p><b>3. Location and Mailing Address of Proposed Place of Business</b></p>	
<p><b>4. Name and Address of Foreign Service Provider (e.g. Western Union or MoneyGram)</b></p>	
<p><b>5. Contact Name, Address, Phone Number and Email Address</b></p>	
<p><b>6. Name and Address of External Auditor:</b></p>	

**Checklist for Money Transmission Service Providers (Group Applicants)**

To assist you further in filling out this application form it is our pleasure to provide you with a checklist. Please crosscheck all requested items with the items you are providing.

<i>The application must be accompanied by the following items (as applicable):-</i>	<i>Check box</i>
<p>1. <b>Detailed Business Plan:</b> A statement setting out the nature and scale of the money transmission business which is to be carried out by the applicant, and particulars of the arrangement(s) proposed for the operation of that business including ownership and structure which includes all the information contained in Section VI (F) (v) and (L – Business plan) and (K – Business Rules and Internal Organization).</p>	
<p>2. <b>Exchange Control:</b> specifically information pursuant to the requirements of Section VI (M – Exchange Control) of the Guidelines.</p>	
<p>3. <b>MLRO and Compliance Officer Requirements:</b> specifically information pursuant to the requirements of Section VI (J) of the Guidelines.</p>	
<p>4. <b>Details of the proposed shareholding of each individual shareholder in the Group,</b> including information specified Section VI (H) (ii) (a-f) of the Guidelines.</p>	
<p>5. <b>Details of dominant shareholders:</b> Please provide all information requested under Section VI (F) (vi-ix)</p>	
<p>6. <b>Capital Requirements:</b> Evidence that the minimum of \$50,000 unimpaired capital asset requirement is met (Section VIII) (B) of the Guidelines.</p>	
<p>7. <b>Certificate of Insurance</b> (or proposed insurance coverage): Applicants must submit copy of insurance certificate and complete Appendix III. Please refer to Section (VIII) (C) of the Guidelines.</p>	
<p>8. <b>Particulars concerning the composition and organization:</b> of the proposed Board of Directors as outlined in section VI (I) of the Guidelines.</p>	

**APPENDIX II**

**APPLICATION FORM:  
APPLICANTS FOR REGISTRATION AS A NON-BANK MONEY TRANSMISSION AGENT**

Pursuant to Regulation 6 (1) of the Banks and Trust Companies (Money Transmission Business) Regulations, 2008

**PART I: DETAILS OF APPLICANT**

*Applicants are required to complete this page and submit with all supporting documents outlined in the accompanying checklist.*

<b>1. Name of Company / Individual Applicant:</b>		
<b>2. Trading Name / Money Transmission Business Name (if different from above)</b>		<b>11. Licence Provider</b> <input type="checkbox"/> Company <input type="checkbox"/> Individual  <b>Operations</b> <input type="checkbox"/> International and domestic transmission  <input type="checkbox"/> Domestic only transmission
<b>3. Address of Head / Parent Office of the Company</b>	<b>4. Location and Mailing Address of Proposed Place of Business</b>	
<b>5. Names and Address of Other Places of Business Within The Bahamas</b>	<b>6. Names and Address of Provider with which Affiliated</b>	
<b>7. Date and place of birth and nationality</b>		
<b>8. Contact Name, Phone Number and Address</b>	<b>9. E-Mail address</b>	<b>For Official Use Only</b>  Application received by: _____ Date: _____  Application Reviewed by: _____ Date: _____

**N.B.: Providers are responsible for collection and payment of fees to the Public Treasury on behalf their Agents.**

**Checklist for Money Transmission Service Providers (Agents)**

To assist you further in filling out this application form it is our pleasure to provide you with a checklist. Please crosscheck all requested items with the items you are providing.

<i>The application must be accompanied by the following items (as applicable):-</i>	<i>Check box</i>
<b>ALL APPLICANTS</b>	
1. <b>Written agreement:</b> A copy of the applicant’s written agreement between the agent and the provider (Section (VII) (A) (i) of the Guidelines.	
2. <b>MLRO and Compliance Officer Requirements:</b> Agents are required to notify Central Bank of the name and experience of the assigned officers.	
<b>INDIVIDUAL APPLICANTS ONLY</b>	
3. <b>Curriculum vitae incorporating:</b> personal data; educational background; professional education and training; list of previous professional activities and scope of responsibilities, including details of the level and number of subordinates managed (Section (VII) (A) (ii) (b) of the Guidelines).	
4. <b>Two character references:</b> in original form from sources satisfactory to the Governor (Section (VII) (A) (ii) (c) of the Guidelines).	
4. <b>One financial reference:</b> in original form from a bank or trust company licensed under the Banks and Trust Companies Regulation Act 2000[or licensed in a country specified in the First Schedule to the Financial Transactions Reporting Act] ( Section (VII) (A) (ii) (d) of the Guidelines).	
6. <b>Police or other certificate:</b> in original form, satisfactory to the Governor, confirming that the person has not been convicted of a serious crime or any offence involving dishonesty (Section (VII) (A) (ii) (e) of the Guidelines).	
<b>COMPANY APPLICANTS ONLY</b>	

<p>7. <b>Memorandum &amp; Articles of Association:</b> A certified copy of the Applicant’s Memorandum and Byelaws, and Certificate of Incorporation pursuant to Section VII (A) (iii) (a) of the Guidelines.</p>	
<p>8. <b>Certificate of good standing</b> (Section (VII) (A) (iii) (b) of the Guidelines.</p>	
<p>9. <b>List of all direct and indirect shareholders of the applicant</b> (Section (VII) (iii) (c) of the Guidelines.</p>	

**APPENDIX III**

**INSURANCE COVERAGE**

Indicate below whether the Applicant has cover in respect of the following:-

<i>Insurance</i>			<i>Limit</i>	<i>Deductible</i>	<i>Insurer</i>	<i>Broker</i>
Errors & Omissions	Yes	No				
Directors and Officers Liabilities	Yes	No				
Fidelity and Forgery	Yes	No				
Loss of Property	Yes	No				
Computer Crime	Yes	No				
Business Interruption	Yes	No				
Office Contents	Yes	No				

Has any application for insurance by the applicant or any predecessors in business ever been refused?  
Yes    No

Reason for refusal, Name and Address of insurer
Name(s) and address(es) of insurer(s):

**APPENDIX IV**

**Declaration**

**This declaration must be completed by the Applicant in block capitals or typed and must be signed by the Applicant.**

I, (full name and address) \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_

confirm that I have read and understood the provisions of The Banks and Trust Companies (Money Transmission Business) Regulations, 2008 (“the Regulations”) and I declare that the business in respect of which this application is made will be conducted in accordance with the provisions of the Regulations and any other relevant legislation.

I declare that the particulars supplied in the application are true to the best of my knowledge and belief.

**Name** \_\_\_\_\_ **Position in undertaking** \_\_\_\_\_

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## **APPENDIX V**

### **Additional Information**

(Please state clearly to which questions the details relate)

## APPENDIX VI

### KEY INDUSTRY LEGISLATION FOR NON-BANK MONEY TRANSMISSION SERVICE PROVIDERS AND MONEY TRANSMISSION AGENTS

Applicants may find the following legislation as amended from time to time, useful in the application process.

Banks and Trust Companies Regulation Act, 2000
Banks and Trust Companies Regulations (Amendment) Act, 2008
Banks and Trust Companies (Licence Application) Regulations, 2002
Banks and Trust Companies (Money Transmission Business) Regulations, 2008
Banks and Trust Companies (Money Transmission Business) (Amendment) Regulations, 2011
Central Bank of The Bahamas Act, 2000
Central Bank of The Bahamas (Amendment) Act, 2008
Exchange Control Regulations Act, 1952
Exchange Control Regulations, 1956
Companies Act, 1992 [ <i>Consolidated Printing</i> ]
Amendment No. 2 of 1998
Amendment No. 2 of 1999
Proceeds of Crime Act, 2000
Proceeds of Crime (Designated Countries and Territories) Order, 2001
Financial Transactions Reporting Act, 2000
Financial Transactions Reporting Regulations, 2000
Financial and Corporate Service Providers Act, 2000
Financial Intelligence Unit Act, 2000
Financial Intelligence (Transactions Reporting) Regulations, 2001

These pieces of legislation may be obtained by contacting:

**Government Publications Office**  
**P. O. Box N-7147**  
**Nassau, Bahamas**  
**Phone (242) 322-2410**  
**Fax (242) 328-8294**

Also available at

[http://laws.bahamas.gov.bs/statutes/Statutes\\_Toc.html](http://laws.bahamas.gov.bs/statutes/Statutes_Toc.html)