



CENTRAL BANK OF THE BAHAMAS

GUIDANCE NOTES FOR THE COMPLETION OF THE ANTI-MONEY LAUNDERING (AML) DATA RETURN FOR CREDIT UNIONS

DECEMBER 2019

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Overview of the Anti-Money Laundering Data Returns

The Anti-Money Laundering (AML) Data Returns submitted to the Central Bank of The Bahamas (“the Central Bank”) will be used to (i) analyze trends and (ii) evaluate emerging financial crime risks of supervised financial institutions (SFIs) within the credit union sector.

These Guidance Notes serve as a companion tool to the AML Data Returns and provide SFIs with an overview of the filing and reporting instructions.

A copy of the AML Data Returns and Guidance Notes are placed on Central Bank’s website for ease of access and reference by SFIs. These documents may be located on the website as follows:

Log onto: www.centralbankbahamas.com

- Click on **Bank Supervision**
- Select **Regulatory Framework**
- Select **Downloadable Forms**

The guidance notes give a brief description of each of the forms that make up the returns. The guidance notes also provide clarification on the data that is to be entered in the various rows and columns. In some cases, the forms are self-explanatory.

The submission of the AML Data Returns is a requirement of **all credit unions**.

SFIs are expected to have appropriate procedures in place to ensure that all completed returns are completed with accuracy and submitted on a timely basis. Breakdowns in internal controls, staff shortages and vacations are not considered compelling reasons for late and erroneous filings. Therefore, it is imperative that SFIs ensure that all applicable sections of the returns are fully completed in a timely manner to avoid any unnecessary penalties.

Filing Instructions for the Anti-Money Laundering Data Returns

All credit unions are required to upload the completed returns to the ORIMS Portal at <https://orimsportal.centralbankbahamas.com>. A copy of the completed “**Attestation**” form should be signed by the General Manager and the Money Laundering Reporting Officer. This form should be scanned and uploaded as a PDF document into the ORIMS Portal.

Submission Protocols

- All credit unions are required to complete, upload and submit the AML Data Returns no later than **January 31** of each year.
- Only submissions **sent via the ORIMS Portal will be accepted.**
- Attestations should be sent via the ORIMS Portal and should properly state the credit union’s name, code and date of the report.
- Currency values should be rounded to the **nearest thousands of dollars (no decimals).**
- **Any and all amendments** to be made to subsequent submissions are to be requested via the ORIMS portal. Please ensure that the reason for re-submission is required to be clearly stated or articulated.
- Late and erroneous filings will incur a penalty of \$250 per day until such time that the Guidelines have been amended to reflect the proposed change to erroneous filings, a fixed penalty of \$500 or \$1,000 as determined by the Central Bank¹.

¹ Refer to the Central Bank’s Guidelines for the Administration of Monetary Penalties.

Form Overview

a. Statement on Client Database

This report form provides a breakdown of SFIs' client database. Data should only be entered in the white cells; all other cells contain formulas and are protected. Dollar value data should be rounded to the **nearest thousands of dollars (no decimals)**.

The following list of categories provides a guide to users by (i) item number (ii) description of the information (as it appears on the form), and (iii) additional guidance on reporting, where necessary. Categories that do not require direct input are shaded.

Table A

This table captures the nationality of the customers of a SFI, along with associated financial data. The basis for populating this the value of customer balances. The countries with the highest value of customer balances should be reported first and the other countries should be reported in descending order. SFIs should populate the table based on the following:

- i. Country
 - Use the drop down menu to indicate the top five (5) countries that are representative of the nationality of the institution's customers. "Nationality" in this context refers to the country a person is from, not the country where they currently reside.
 - SFIs that have customers from more than five (5) countries should include the aggregate of the data for all of the other countries in the last row and select "Other" for the country.
- ii. # of Customers (Natural Persons)
 - The number of natural persons from the selected country who are beneficial owners. In cases where a customer has more than one nationality, SFIs should select one country considered the "primary" nationality and report the customer's data under that country. SFIs may attach a separate summary report with the nationalities and associated information for these customers.
- iii. # of Accounts
 - The number of active and inactive accounts associated with the customers from the selected country.
- iv. Deposits
 - Indicate the value of all deposit balances associated with the customers from the selected country.
- v. Loans
 - Indicate the value of all loans associated with the customers from the selected country.

Table B

The number of customers should be broken down into the four (4) categories of low risk, medium risk, high risk and PEPs, along with the value of the associated deposits and loans. The number of PEPs should be indicated separately and not included in any of the risk categories. .

Table C

The totals in this table should correspond to the number of PEPs stated in Table B.

Table D

This table captures the distribution of SFIs' account holders between natural persons and legal structures. Provide a breakdown of the number of customers, value of deposits and value of loans by natural persons and legal structures and vehicles.

b. Account Activity

Account Activity

All dollar values should be rounded to the **nearest thousands of dollars (no decimals)**.

- vi. Accounts opened
 - The number of accounts opened since 31st December of the previous year, along with the value of these accounts as at 31st December of the reporting year.

- vii. Account opening rejected
 - The number of account opening applications that were rejected since 31st December of the previous year, along with the value of the potential business lost.

- viii. Accounts closed
 - The number of accounts that were closed since 31st December of the previous year, along with the value of these accounts as at 31st December of the reporting year.
 - Also indicate the number of accounts closures since 31st December of the previous year that were closed due to AML/CFT issues.

- ix. Unverified accounts
 - The number of ALL accounts (operating or blocked) where the identity of the facility holder has not undergone the required verification procedures in line with the AML/CFT/CPF Guidelines, along with the value of these accounts as at 31st December of the reporting year.

- i. Inactive accounts
 - The number of accounts where no customer-initiated activity has taken place for a period of at least one (1) year but less than five (5) years, along with the value of these accounts as at 31st December of the reporting year.

- ii. Dormant accounts
 - The number of accounts where no customer-initiated activity has taken place for a period of five (5) years, along with the value of these accounts as at 31st December of the reporting year.

Credit Unions may refer to the [Bahamas Co-Operative Credit Unions Act, 2015](#) for further information.

Transaction Monitoring & Reporting

- i. Unusual Transactions Reports which did not result in a Suspicious Transaction Report
 - The number of Unusual Transaction Reports reported internally that did not lead to a Suspicious Transaction Report being filed with the Financial Intelligence Unit.
- iii. Suspicious Transaction Reports filed with the FIU
 - The number of Suspicious Transaction Reports reported internally that were filed with the Financial Intelligence Unit.
- iv. Feedback from FIU on quality of STRs filed
 - The number of instances feedback was provided by FIU on the quality and usefulness of the reports.
- v. Average Number of Days taken to File a STR Once Identified
 - The number of days taken to file and STR with the FIU once an unusual transaction is identified internally.
- vi. Backlogs in Transaction Alerts
 - The number of transaction alerts that have not been reviewed.
- vii. Positive Sanction Hits
 - The number of instances when a positive match was identified from one of the sanctions lists.
 - Also indicate the number of transactions rejected and accounts closed due to there being positive sanction hits.

Other

- viii. Production Order Requests Received
 - The number of Production Order Requests received from the FIU.
- ix. Known Data Breaches
 - The number of instances where data has been compromised.
- x. Customer Complaints
 - The number of customer complaints received, including both those that are open and those that have been closed.
- xi. Instances of Fraud
 - The number of instances of fraud, including where the number of attempts of fraud and number of actual occurrences of fraud.

xii. Date of last Compliance Audit/Review

- Indicate the date of the last audit/review conducted on the Compliance Unit.

c. Statement on Suspicious Transactions

Sections 1-3

Under the subheadings of Money Laundering STRs, Terrorist Financing STRs and Proliferation Financing STRs, input the number and value of STRs filed by the rationale for which the report was filed. It is not necessary to include within this figure reports which have been made to follow-up or provide further detail in respect of a previous disclosure. Data should only be entered into the white cells; all other cells contain formulas and are protected.

Section 4

Provide a breakdown of the total number of STRs reported in Sections 1 –3 into the various categories listed. The total number of STRs reported in this section should match the total number of STRs reported in Sections 1 – 3 above.

The total of this category should match the Total STRs from Sections 1 – 3.

d. Staff Training

This form captures statistics related to AML-related training and qualifications of staff of the SFI. The reported figures should include full time, part time, temporary and contractual employees; and should include management and non-management staff, unless otherwise indicated.

i. Number of Total Staff in your institution

- Self-explanatory

ii. Number of Staff in your institution's Compliance Unit

- The number of staff in the institution's compliance unit should include only the SFI's **local** Compliance personnel.

iii. Number of staff in your institution with AML/CFT qualifications

- The number of staff that have AML/CFT qualifications including those related to certifications such as the Certified Anti-Money Laundering Specialists (CAMS) designation and diplomas from the International Compliance Association (ICA) in Anti Money Laundering and Compliance, Governance and Risk, etc.

iv. Number of staff who participated in AML/CFT training over the last 12 months

- The total number of staff who participated in AML/CFT training and the breakdown of that number by non-management, management and directors.

- AML/CFT training relates to the on-going training related to AML/CFT policies and procedures and legislation.
- v. Date of last AML/CFT/CFP related training (dd/mm/yyyy)
- Self-explanatory.