

FINANCIAL TRANSACTIONS REPORTING (AMENDMENT) BILL, 2025

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FINANCIAL TRANSACTIONS REPORTING (AMENDMENT) BILL, 2025

A BILL FOR AN ACT TO AMEND THE FINANCIAL TRANSACTIONS REPORTING ACT (NO. 5 OF 2018)

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Financial Transactions Reporting Act (No. 5 of 2018), shall be cited as the Financial Transactions Reporting (Amendment) Act, 2025.
- (2) This Act shall come into operation on such date as the Minister may appoint by notice published in the *Gazette*.

2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended in the definition of “customer due diligence measures”, by the insertion immediately after the number “9”, of “, 12”.

3. Amendment of section 3 of the principal Act.

Section 3 of the principal Act is amended in subsection (1)(h)(iii) by the insertion immediately after the word “persons”, of the phrase “or acting in an equivalent role to a trustee in a legal arrangement similar to a trust;”

4. Amendment of section 7 of the principal Act.

Section 7 of the principal Act is amended as follows —

- (a) in paragraph (a) of subsection (5) by the insertion immediately after the word “other” of the words “legal or”;

- (b) in subsection (7) by deletion of the word “current” and substitution of the words “up-to-date”.
- (c) by the insertion immediately after subsection (7) of the following new subsection —
 - “(7A) In accordance with this section, based on its risk profile a financial institution shall conduct due diligence at minimum every—
 - (a) year for high risk accounts;
 - (b) three to five years for medium risk accounts; and
 - (c) five to ten years for low risk accounts.
 - unless there is a suspicion of activities related to any identified risk under the Proceeds of Crime Act, 2018 in which case enhanced due diligence shall be immediately undertaken.”.

5. Amendment of section 12 of the principal Act.

Section 12 of the principal Act is amended as follows-

In subsection (a) by deletion of the word “updated” and substitution of the words “up-to-date”.

OBJECTS AND REASONS

Clause 1 sets out the short title and commencement.

Clause 2 seeks to amend section 2 of the principal Act to include section 12 within the definition of “customer due diligence measures”.

Clause 3 seeks to amend section 3 of the principal Act to include “acting in an equivalent role to a trustee in a legal arrangement similar to a trust” to that of a trustee within the definition of financial institution.

Clause 4 seeks to amend section 7 of the principal Act to: (a) require verification of legal persons or legal arrangements that would be subject to verification requirements under section 7(5)(a-c) if they were natural persons and if they would be subject to enhanced due diligence under section 13, (b) replace the word “current” with “up-to-date” and (c) add a new subsection to require the conduct of due diligence on a risk sensitive basis at minimum every (i) year for high risk accounts; (ii) three to five years for medium risk accounts; and (iii) five to ten years for low risk accounts, unless there is a suspicion of activities related to any identified risk in which case enhanced due diligence will be immediately undertaken.

Clause 5 seeks to amend section 12 of the principal Act to substitute “updated” with “up-to-date”.