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The Common Reporting Standard – An Overview



By: L. Ryan Pinder
Partner, Graham Thompson

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "Standard") was developed by the OECD and approved by the Council of the OECD on July 15, 2014. The Standard was based on the belief by the OECD and the G20 countries that vast amounts of money are kept offshore and go untaxed to the extent that taxpayers fail to comply with tax obligations in their home jurisdiction. The Standard is intended to provide a framework for co-operation between tax administrations as being critical in the fight against tax evasion and in protecting the integrity of tax systems.

A key aspect of that co-operation is exchange of information. The rules and method of exchange of information pursuant to the Standard is set forth in the Common Reporting Standard (the "CRS") released by the OECD. The CRS draws extensively on the intergovernmental approach, and the framework of the United States initiative, the Foreign Account Tax Compliance Act ("FATCA"). In many instances, however, the CRS goes further than FATCA in the requirements for disclosure on an automatic basis.

The OECD identified success factors for effective

automatic exchange of financial information as: (1) a common standard on information reporting, due diligence and exchange of information, (2) a legal and operational basis for the exchange of information; and (3) common or compatible technical solutions.

The OECD has sought to achieve this by ensuring a broad scope of (a) financial information to be reported, (b) account holders subject to reporting, and (c) financial institutions required to report. The detailed reporting framework is set out in the CRS and the associated Commentary and Guidelines and aspects will be addressed in subsequent articles specifically.

A country can choose its legal basis for implementation of the Standard and requirements under the CRS. The OECD has made it clear in the CRS itself that a country can form the legal basis of its obligations under the Standard either through bilateral agreements, or through multilateral agreements, and specifically The Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the "Convention"). A particular country has the discretion to choose the method in which it will implement the Standard and give legal basis for the CRS. A detailed review of the Convention and a comparison to the bilateral approach will be the subject of the next article.

A fundamental component to the implemen-



The Common Reporting Standard – An Overview Cont'd

tation of the CRS is that all treaties and exchange of information instruments contain strict provisions that require information exchanged to be kept confidential and limit the persons to whom the information can be disclosed and the purposes for which the information may be used. Before entering into an agreement to exchange information automatically with another jurisdiction, it is essential that the receiving jurisdiction has the legal framework and administrative capacity and processes in place to ensure the confidentiality of the information received and that such information is used only for the purposes specified in the instrument, in other words only for tax purposes. The protections above must be both in law and in practice. There is much debate on what should be factored in, on an objective basis, to determine if a country can

qualify under these standards.

Once an eligible partner is agreed, and negotiations have commenced on the provisions for automatic exchange of information, this agreement must be memorialized in a agreement between the countries. This is done by way of an automatic exchange agreement (which can take the form of an expanded scope tax information exchange agreement), and the competent authorities enter into a Competent Authority Agreement. These agreements will act as the international treaty documents to effect automatic exchange.

The Bahamas Association of Compliance Officers wishes to Congratulate The Bahamas Institute of Financial Services on it relocation to Union Court, located on the corner of Elizabeth Avenue and Shirley Street.

BIFS continues to function as the primary Administrators for BACO.

The Bahamas Institute of Financial Services



Congratulations!!!



Samantha Knowles Pratt
Partner, Delaney Partners

The Bahamas Investment Condominium –ICON Part 2

<http://delaneypartners.com/2014/11/the-bahamas-investment-condominium-icon-part-1/>

In this issue, we discuss the benefits, effects and process of converting an existing fund structure, such as a company, exempted limited partnership or unit trust to an Investment Condominium (“ICON”).

Our *last publication* introduced you to the ICON, The Bahamas’ most recent financial services product enabled by the *Investment Condominium Act, 2014* (“**ICON Act**”).

To recap, the ICON is intended to be an alternative to a traditional company, unit trust or exempted limited partnership vehicle for use in relation to investment funds. It must be licensed as one or other of the already-existing Bahamian investment funds, namely, a *SMART fund*, *professional fund* or *standard fund*.

Benefits of Conversion

The main benefits of conversion are:

- To allow for conversion of structures already in The Bahamas to ICON’s;
- To accommodate the re-domiciliation of investment funds to The Bahamas; and

To allow for unbroken continuity of the fund, while changing the character of the underlying legal structure that comprises it.

Only entities incorporated or continued under the *International Business Companies Act, 2000* (“**IBC Act**”) of The Bahamas, an exempted limited partnership registered under the *Exempted Limited Partnership Act, 1995* of The Bahamas and unit trusts established under the laws of The Bahamas are able to convert to an ICON. However, entities in other jurisdictions are able to take advantage of existing continuation procedures in the IBC Act – that is, continue into The Bahamas as international business company and then convert to an ICON. Existing unit trusts that are governed by a foreign law may utilize any power to change the governing law contained in the trust instrument to that of The Bahamas. Once the trust is governed by the laws of The Bahamas, it may convert to an ICON.

Effects of Conversion

Some of the effects of conversion are:

- (a) The company, exempted limited partnership or unit trust shall cease to be body corporate, exempted limited partnership or unit trust, as applicable, without dissolving or being wound up;
- (b) The shareholders of a company shall be participants with all attendant rights and obligations of participants under the ICON Act;
- (c) The general and limited partners of an exempted limited partnership shall be participants with all attendant rights and obligations of participants pursuant to the ICON Act;
- (d) The unit holders of a unit trust shall be participants with all attendant rights and obligations of participants pursuant to the ICON Act;
- (e) No conviction, judgement, ruling, order, claim, debt, liability or obligation due or to become due and no cause existing against the entity, former shareholder, director, officer, agent, partner or trustee, as applicable, or any other person is released or impaired by its conversion to an ICON.

Process for converting a company to an ICON

1. A majority of voting shareholders and all directors are to agree and adopt the Articles of Conversion.
2. Certificate of conversion is signed by the Administrator under seal and filed with the Registrar General in The Bahamas (“**RGD**”) within 7 days of date of certificate along with prescribed fee.
3. RGD stamps certificate of conversion - stamped certificate of conversion is *prima facie* evidence of compliance with all requirements in respect of conversion.
4. ICON applies to be licensed as a fund.
5. Administrator issues confirmation to each participant (former shareholders) stating:
 - (a) The number of shares converted and the number of participation interests held by such participant; and
 - (b) That the conversion has not affected the value of any capital contribution.

The Bahamas Investment Condominium Cont'd

Note: Conversion that takes place while a company is not in good standing is void and of no effect.

Process for converting an exempted limited partnership to an ICON

1. A majority of limited partners having the right to vote and all general partners are to agree and adopt the Articles of Conversion.
2. Certificate of conversion is signed by the Administrator under seal and filed with the RGD within 7 days of date of certificate along with prescribed fee.
3. RGD stamps certificate of conversion – stamped certificate of conversion is *prima facie* evidence of compliance with all requirements in respect of conversion.
4. ICON applies to be licensed as a fund.
5. Administrator issues confirmation to each participant (former general and limited partners) stating:
 - (a) The number of partnership interests converted and the number of participation interests held by each participant; and
 - (b) That conversion has not affected the value of any capital contribution.

Note: Conversion that occurs while an exempted limited partnership is not in good standing is void and of no effect.

Process for converting a unit trust to an ICON

1. Articles of Conversion are to be approved by the trustee or such other person as required by the terms of the trust instrument and by the majority of the unit holders having voting rights.
2. Certificate of conversion is signed by the Administrator under seal and filed with the RGD within 7 days of date of certificate along with prescribed fee.
3. RGD stamps certificate of conversion - stamped certificate of conversion is *prima facie* evidence of compliance with all requirements in respect of conversion.
4. ICON applies to be licensed as a fund.
5. Administrator issues confirmation to each participant (former unit holders) stating:
 - (a) The number of trust units converted and the number of participation interests held by each participant; and

(b) That conversion has not affected the value of any capital contribution.

Note: Any conversion of a unit trust that occurs on a date when such unit trust is in the process of being wound up or dissolved is void and of no effect.

Content of Articles of Conversion

- i. Name;
- ii. Provisions detailing the basis upon which shares of a company, limited partnership interests of an exempted limited partnership or units of a unit trust, as applicable, shall be converted to participation interest in the ICON along with details of any rights;
- iii. Provisions for valuation and accounting treatment of the assets and liabilities of the company, exempted limited partnership or unit trust, as applicable, and in all cases, any retained earnings upon conversion;
- iv. In the case of a company, the date on which the company was incorporated or continued and the date on which it intends to convert to an ICON;
- v. In the case of an exempted limited partnership, the date on which the partnership was registered and the date it intends to convert to an ICON;
- vi. In the case of a unit trust, the date on which the unit trust was established and the date on which it intends to convert to an ICON;
- vii. In all cases, the Governing Regulations of the ICON containing the information prescribed by the First Schedule of the ICON Act, are to be annexed to the Articles of Conversion;
- viii. In the case of a company, the Governing Regulations are to be approved by the shareholders of the company;
- ix. In the case of an exempted limited partnership, the Governing Regulations are to be approved by the general partner and the limited partners;
- x. In the case of a unit trust, the Governing Regulations are to be adopted by the trustee and such other persons as may be required by the trust instrument; and
- xi. In all cases, the name and address of the Administrator.

WHY FATCA MATTERS FOR AML OFFICERS – FOUR KEY LINKS BETWEEN THE US LAW AND AML PROGRAMS

By Brian Kindle

An intriguing phrase is written right at the start of the US law that would come to be known as the Foreign Account Tax Compliance Act – “increased disclosure of beneficial owners.”

That line appears as the first line of Part 1, Title V of the HIRE Act, the US legislation enacted in 2010 which contained FATCA. It refers to FATCA’s aim of revealing hidden overseas accounts owned by US persons. However, it is also a sign that the far-reaching law goes beyond curbing offshore tax evasion to touch on diverse areas of financial crime, particularly anti-money laundering.

Within its expansive customer due diligence duties, its requirements to identify US beneficial owners of legal entities, and its account monitoring demands, FATCA has both explicit and implicit ties to AML programs at financial institutions.

With many of FATCA’s key provisions coming into effect on July 1 of this year, financial institutions are leveraging their AML staff and controls in the race to become compliant. Many financial institutions have chosen to designate their AML/KYC unit as the primary one responsible for FATCA compliance.

An ACFCs survey conducted last year found that nearly 23% of respondents, largely from non-US financial institutions, were making their AML departments bear primary responsibility for FATCA implementation, the second-highest percentage behind the legal department. A survey by the accounting firm KPMG found similar results, with 24% choosing to house some or all of FATCA duties within AML compliance units.

FATCA is not the only factor that is bringing tax compliance into the AML field. In 2012, the Financial Action Task Force (FATF) released a revised 40 Recommendations that for the first time called for tax crimes to be considered predicate offenses for money laundering. In effect, this means that transactions conducted with the proceeds of tax evasion would be considered money laundering violations, though many nations have not yet adopted this standard in their legal or regulatory regimes.

“There is a definite relationship between FATCA and AML,” says Johnathan Jackel, an attorney with Burt, Staples & Maner in Washington, DC, and an expert on FATCA compliance. He cautions that AML and FATCA compliance do not always overlap neatly, however.

Below are four key reasons why FATCA matters for AML officers and the programs they oversee, along with potential benefits that FATCA may offer to AML compliance.

1. Under ‘intergovernmental agreements,’ AML/KYC programs are an explicit part of FATCA compliance

In general terms, FATCA requires non-US institutions to identify the accounts they house for US persons, both individuals and legal entities, and report those accounts to the Internal Revenue Service. The law’s definition of “financial institution” covers a diverse range of financial entities, from banks and broker-dealers to certain insurance companies, asset managers and hedge funds.

To ease FATCA’s multi-faceted compliance burdens and entice other nations to back it, the US Treasury designed “intergovernmental agreements,” or IGAs. A nation that signs an IGA with the US commits to act as a “FATCA partner,” supporting the law’s implementation and enforcement. In exchange, IGAs offer a range of reduced compliance requirements and other benefits for the financial institutions of partner nations.

One of those benefits is an institution’s ability to rely on the information gathered by its AML/KYC program when seeking to identify whether certain accounts have US owners.

“In IGA jurisdictions, you’re essentially required to leverage your AML programs,” says Jackel, who explains that IGAs allow institutions to use information already gathered by their AML/KYC program to determine whether certain types

WHY FATCA MATTERS FOR AML OFFICERS – FOUR KEY LINKS BETWEEN THE US LAW AND AML PROGRAMS cont'd

of legal entities have US “controlling persons.”

“Institutions are literally directed to go to the AML file in these cases,” Jackel continues.

The ability to use AML data to identify US controlling persons of legal entities eases one of FATCA’s more substantial compliance duties. While it only applies to IGA jurisdictions, the number of countries with agreements is multiplying rapidly. This week, five more nations enlisted as FATCA partners, bringing the total number of nations with IGAs up to 56.

2. AML programs may house the data and expertise to clear FATCA’s due diligence and onboarding hurdles

Even outside of IGA jurisdictions, non-US financial institutions searching their accounts for US owners are likely to turn to AML/KYC data for assistance.

FATCA requires institutions to review their existing accounts to determine if any are held by US persons (including certain legal entities with US beneficial owners), and adopt onboarding procedures to identify new customers as US or non-US person.

Institutions are already using existing data from AML/KYC files to fill in information needed for FATCA compliance, such as a customer’s citizenship status or copies of tax withholding certificates like IRS Form W-8, says one compliance consultant. Particularly for mid-size and large institutions with robust customer due diligence programs, “you can leverage existing AML information pretty well,” he states.

He cautions that AML and FATCA due diligence are not a perfect fit, however. The two compliance programs prioritize different pieces of customer information, with AML focusing on customer risks and FATCA on a customer’s status as a US person. As a result, many due diligence and customer onboarding programs built around AML requirements will have to be expanded to incorporate FATCA’s standards.

“You can’t just expect whatever you were doing before to clear the FATCA bar,” Jackel says.

3. FATCA’s tougher beneficial owner standards can support AML risk management

For non-US institutions, one of FATCA’s greatest compliance challenges is the law’s introduction of a new standard for determining the beneficial owners of legal entities. FATCA requires institutions to drill down to a 10% ownership stake when deciding if certain legal entities have US “controlling persons.”

While the requirement only applies to a limited range of entities, mostly investment vehicles like family trusts, it goes beyond existing beneficial ownership standards used by most financial institutions. Typically, institutions use the 25% beneficial owner standard required by the European Union, as well as other jurisdictions.

The enhanced insight on who owns and controls legal entities gained from FATCA due diligence is likely to feed back into AML programs, allowing for more accurate risk assessments of customers. Some institutions are even adopting FATCA’s 10% standard for all entity accounts.

“We’re finding a fair number of our clients have incorporated the 10% standard across entity accounts to line up with FATCA and provide better risk management,” says the compliance consultant.

4. As FATCA goes global, tax compliance efforts will help improve an institution’s view of their customers

So far, the time and expense poured into FATCA compliance have yielded only “marginal” benefits for AML programs, Jeckel says. However, that calculus may change as tax compliance efforts move beyond FATCA, and more global financial account data sharing programs become a reality.

The Organization for Economic Cooperation and Development, an international body composed of some of the

WHY FATCA MATTERS FOR AML OFFICERS – FOUR KEY LINKS BETWEEN THE US LAW AND AML PROGRAMS cont'd

world's largest economies, has already issued a standard for "automatic" financial account information exchange. It wants member states to implement the standard and take steps to begin swapping account data by 2015.

"One of the things we expect to happen as FATCA evolves and the OECD expands its own [account information exchange standard] is that you will no longer have this US-centric set of questions that financial institutions will have to ask." Instead, Jackel notes, due diligence will be focused on gaining a complete picture of the customer's current and past citizenship status and tax liabilities.

"Eventually, institutions will be getting a much well-rounded view of their customers," he says.



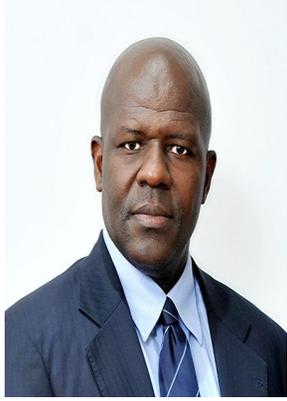
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Congratulations!

BACO wishes to congratulate Past President, Ms. Tanya McCartney on her appointment as CEO of The Bahamas Financial Services Board (BFSB).

Member Spotlight - Wendell Gardiner



Where are you currently employed and what is your profession/title?

Andbank (Bahamas) Limited, Director – Compliance Officer, MLRO

How long have you been a compliance professional and was it always an area of interest?

I have been a Compliance Professional for approximately fifteen (15) years. I became interested in this discipline following The Bahamas being blacklisted by the FATF in 2000 and subsequently removed from this list. At that time, the Financial Services Industry was seeking ‘gatekeepers’ to ensure that this did not occur again; I offered my services to one of the local financial institutions.

How have you seen yourself grow in the industry? (please provide some information on your career history and growth)

The most engaging aspect of the compliance profession is that it is required to be one step ahead of trends in the Financial Services Industry, which is always evolving. Accordingly, as a Compliance Professional, I have grown over the years as the industry has adjusted to address QI, FATCA, changes in Corporate Governance and the rules of Suitability and Appropriateness, as well as MiFID and many other compliance related initiatives.

I have had the benefit of exposure in large Financial Institutions with global compliance structures, which provided additional tools necessary to build compliance regimes in other environments from the ground up.

These experiences also opened the doors for me to work for a period in Switzerland, applying compliance-related best practices developed here in The Bahamas.

What has been the biggest challenge in your career and how did you overcome it?

One of the most significant challenges in my career was making the transition from practicing as a Certified Public Accountant to becoming a Compliance Professional. This was particularly so because at times, in the early days, the compliance profession was still being defined and The Bahamas, as a jurisdiction, was fighting for its legitimate seat at the Global Financial Industry table.

Would you encourage other professionals to become a member of BACO and why?

I would encourage all Compliance Professionals to join and contribute to BACO. My experience as a past BACO Executive revealed that the

more committed minds there are, with exposure to the compliance-related issues, the further we will go as a profession. Additionally, BACO has been, and remains, at the cutting edge of important trends, locally, regionally and globally, in the world of compliance. The more knowledge that is shared and subsequently applied in our respective financial institutions, the better off we are as a jurisdiction.

Likewise, I would encourage other Individuals in the Financial Industry who are not in compliance to consider becoming a Compliance Professional. Compliance is normally the heartbeat of institutions and, most times, the Compliance Professional is one of the last persons standing during reorganizations.

From a compliance perspective, what advice would you give to other professionals in setting the tone at the top?

Regulators in The Bahamas have elevated the role of the Compliance Professional such that it is now mandated by statute. We must be cognizant that a great responsibility comes with that. As our relationship managers and product developers charge ahead to build our Financial Services Industry, we are gatekeepers ensuring that domestic rules and international best practices are adhered to. However, we are not stranglers of progress, but partners in building our jurisdiction. We are always encouraged when an organization sees us as facilitating the onboarding of ‘good clients’ in your organization while preventing ‘bad clients’ from entering.

Do you have any special certifications or achievements that relate the financial services industry?

Certified Public Accountant

Certified Internal Auditor

Registered Representative Series 7

Nominated as Compliance Professional of the Year

Past Executive Board Member of BACO

Are there an inspiring phrase or words that you live by?

I receive most of my inspiration from God’s Word. One of my favorite scriptures is found in James 1:17 which states, ‘Every good and perfect gift comes from above.’ I apply this to my professional life as well, and rely on God for perfect wisdom to address tasks ahead of my company.

CONGRATULATIONS Wence Martin!!!



COTY

Compliance Officer of The Year Award

Where are you currently employed and what is your profession/title?

I am the Manager of Scotiabank's Enhanced Due Diligence Unit (EDDU) which was established to manage high risk relationships and regulatory initiatives such as FATCA.

How long have you been a Compliance professional and was it always an area of interest?

I have been engaged in the legal and financial services since 1995, having worked in various capacities such as a research analyst, a corporate manager, an attorney-at-law and now a compliance manager. About 5 years ago, I answered the call to transition from the practice of law into the compliance arena and I have not looked back.

How have you seen yourself grow in the industry? (please provide some information on your career history and growth)

I recall my very first compliance assignment which involved the review of files for Private Banking, as a neophyte I relied heavily on the guidance of my experienced colleagues. Since then I have grown to develop my own 'wings' so to speak. I have attended numerous compliance seminars/workshops and had opportunities to present on compliance matters. As EDDU manager, I am expected to be the subject matter expert on high risk and FATCA related matters.

What has been the biggest challenge in your career and how did you overcome it?

One of the biggest challenges in my compliance career occurred several months after my appointment as EDDU manager. It involved a major compliance review project. The project seemed insurmountable and required completion in a very short time frame. My one-man unit's strategy and success could be summed up in one word, teamwork. I partnered with other compliance professionals in the bank to accomplish the assigned task within the required time frame. This accomplish-

ment led to our office in The Bahamas receiving recognition.

Would you encourage other professionals to become a member of BACO and why?

Certainly, I would encourage others to join BACO. It provided me with an open forum for discussions and sharing of information regarding compliance strategies and policies. Additionally, it offers opportunities for networking and consulting with other like-minded professionals.

From a compliance perspective, what advice would you give to other professionals in setting the tone at the top?

In a world of increasing regulatory standards, businesses must realize that a strong compliance culture is just as important as a strong sales culture; ignorance of this fact could be detrimental to the business. This is the tone that has to be set from the top.

Do you have any special certifications or achievements that relate the financial services industry?

In addition to my tertiary degrees in the fields of business and law, I am a Certified Anti-Money Laundering Specialist (CAMS). In terms of recent achievements, receiving the Best of the Best Award for Scotiabank's Managing Director's Office last November was given in recognition of my unit's work to promote a strong compliance culture in the organisation.

Is there an inspiring phrase or words that you live by?

I am inspired by the words of my mentor, Dr. Myles Munroe who once said that, 'Circumstances and crises are God's tools to move you into your purpose and the maximizing of your potential.'

CONGRATULATIONS Jeunesse Osadebey- Bullard



FPA

Founding President's Award

Jeunesse joined Societe Generale Private Banking in November 2014 as Head of Compliance and Money Laundering Reporting Officer. Upon her arrival she saw to it that every aspect of compliance was addressed. She immediately took on the responsibility of ensuring that the role of compliance was understood by all staff and that a culture of compliance existed.

She also serves as Bank Money Laundering Reporting Officer for Private Banking with responsibility for completion and filing of all Suspicious Transactions reports to the appropriate Regulators and acts as a liaison between the Bank and those Regulators ensuring that reports are properly filed and cleared when necessary. Jeunesse has demonstrated on so many occasions that she is more than capable of taking on additional roles. In addition to her Compliance function Jeunesse also serves as the Bahamas Financial Services Board representative for the Bank.

She represents the Compliance Department in monthly Senior Management meetings, reporting on issues from compliance to Anti Money Laundering issues always providing background information on the mitigation of any identified risks concerning same. She is a constant support to the Private Banking function ensuring that they have the necessary tools and can execute their activities in an efficient and timely manner. She assists staff in the development of their activities and is responsible for assisting with regulatory and compliance matters. She provides training on an ongoing basis for all staff on a variety of topics from FATCA, Politically Exposed Persons (PEP's), The account opening process, to Anti Money Laundering.

Furthermore and in addition to her day-to-day duties as compliance and money laundering officer of the bank, she took over responsibility in implementing and reporting of the extreme complex Foreign Asset Tax Control Act (FATCA) requirements during a difficult phase in the financial services industry as well as she saw to the completion of matters surrounding a Qualified Intermediary Audit, and with her initiative and effort proved that our Compliance department could contribute largely to the successful implementation of these ambitious requirements.

In the almost two years that she has been with us, she has provided biannual reports to the Audit and Compliance Committee and ensures that all relevant reports are made to Head office in a timely manner. Her competence was noted by both the Board of Directors as well as colleagues in both the Geneva and Paris office.

Her daily functions include but are not limited to the review and approval of all client documentation ensuring that they are in line with Group and local Regulatory requirements. She is responsible for ensuring that all internal policies and directives related to Compliance are implemented. She is responsible for ensuring that all Audit points are cleared and implemented in a timely manner. Upon visits by the Group Inspection, and Internal Audit during her tenure they noted in their final report that "there was a noticeable enhancement observed in the Compliance Function, more challenging, control oriented and more critical since the hiring of a new Compliance officer".

Highlights from BACO's 2015 Events

THE SENTINEL



Courtesy Call with the new Minister of Financial Services, Min. Hope Strachan.

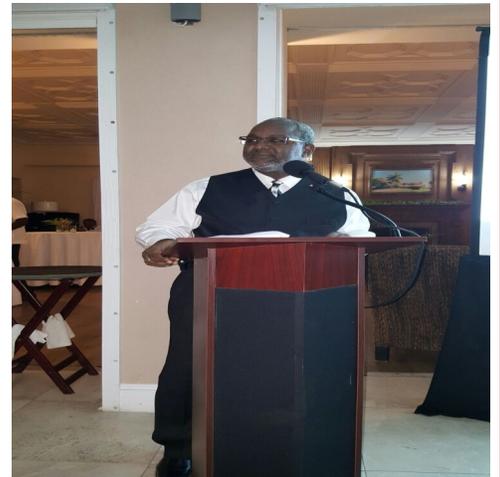


Northern Conference, Freeport Bahamas



MLRO Day

Awards Ceremony



Awards Ceremony

THE SENTINEL



THE SENTINEL



CRCA



CALENDAR OF EVENTS 2016

Notification of BACO elections	April 1st, 2016
Seminar with Speaker Tanya McCartney	April 2016
Central Bank Amendments to AML/CTF Guidelines	April 2016
BACO Close out Luncheon (Presidential Panel)	May 18th, 2016
Issue of The Sentinel (Newsletter) 3rd Edition	May 18th, 2016
Close of Nominations	May 27th, 2016
Election Day	June 1st, 2016
Northern Conference	September 8th—9th, 2016
MLRO Day	October 5th –6th, 2016

Be a part of BACO in 2016

"We need people who push boundaries rather than retreat inside them."

— Tim Fargo

Send in your form
today

**Review our Criteria's for
different Membership Status**

New Membership Status

Renew your Membership Status

Upgrade your Membership Status

We are constantly working towards the highest level of compliance

Tel: 325-4955

Email: bacobahamas@gmail.com

BACO
THE BAHAMAS ASSOCIATION OF COMPLIANCE OFFICERS

"Committed To Compliance"

BACO Membership Criteria

MEMBERSHIP CATEGORY	DESCRIPTION	BENEFIT	ANNUAL MEMBERSHIP FEE
Academic & Student	<p>This category is for students who are enrolled in any BACO/ICA certified course or any financial and corporate services provider industry course (inclusive of students enrolled in the Eugene Dupuch Law School and College of The Bahamas) or any Government approved educational facility in the field of Law or Banking and who do not qualify for another category of membership.</p>	<ul style="list-style-type: none"> • Free newsletter, when published. • Membership Certificate • ID Pin 	\$100.00
Associate	<p>This category is for persons who, upon application, wish to participate in BACO activities and obtain membership benefits, pending qualification as a Professional Member, but do not have any compliance related certifications, but are employed in the field of Anti-Money Laundering (“AML”) or Compliance with a minimum of 10 qualifying credits, which must be attained either through years of professional experience or attendance at workshops/seminars, based on BACO’s Credit Award System.</p>	<ul style="list-style-type: none"> • Free newsletter, when published; • Membership Certificate • ID Pin • Mailing List; • Discounts at seminars/conferences. 	\$200.00
Professional	<p>This category is for persons who wish to become BACO certified and:</p> <p>Maintain a minimum of 20 qualifying credits at the time of application for membership (see BACO Credit Awards System under General Guidelines), and who are simultaneously</p> <p>enrolled in or completed the AML & Compliance Diploma Course. Alternatively, persons with the minimum 20 qualifying credits, who do not wish to sit the AML & Compliance Diploma course, can apply via the qualified practitioner route and submit to BACO a White Paper, on a relevant compliance related topic, demonstrating their knowledge and experience in the field; or</p> <p>Hold another Certified Compliance Certification and a Certified AML Certification (these may be a combined course) from another professional body e.g. ACAMS; and</p> <p>Have a minimal of 3 years of general compliance experience supervised by a BACO Certified Compliance Professional (<u>BCCP</u>) Member.</p>	<ul style="list-style-type: none"> • Free newsletter, when published; • Membership Certificate • Mailing List; • Discounts at seminars/conferences; • ID Pin; • Portfolio; • Discounted rates at luncheons. 	\$250.00

BACO Membership Criteria Cont'd

MEMBERSHIP CATEGORY	DESCRIPTION	BENEFIT	ANNUAL MEMBERSHIP FEE
BACO Certified Compliance Professional Member (BCCP)	<p>This category is for persons who are considered the elite members of the Association who:</p> <p>Hold 20 professional credits and have completed an accredited and ExCom approved AML/Compliance Diploma Course;</p> <p>Have been a professional member for more than 5 years;</p> <p>Possess 5 years or more of relevant working experience in the field in of AML/Compliance;</p> <p>Can provide an attestation (at least 2 references) on their professional ethics, character and personal integrity within the field of AML/Compliance; and</p> <p>Have either attained, or qualify for Fellowship status (FICA) with the International Compliance Association and is recognized as a fit and proper person by a relevant regulatory body. Such members are entitled to use the designation "BCCP" i.e. BACO Certified Compliance Professional.</p> <p>These members will also be required to continue to earn credits (a minimum of 10 credits per year) through continuing professional education e.g. attendance at local and/or international conferences.</p>	<ul style="list-style-type: none"> • Free newsletter, when published; • Membership Certificate • Mailing List; • Discounts at seminars/conferences; • ID Pin; • Portfolio; • Discounted rates at lunches; • Industry recognition. 	\$300.00

BACO CREDIT AWARD SYSTEM ACHIEVEMENTS	CREDITS
*Bachelor, Master, Ph.D. Degrees or equivalent	10
2 Year Degree from a College or University	5
*Professional Certification e.g. Attorney-at-Law, CPA CFA, CIA, CFE	5 for each certification
Attendance at an anti-money laundering/compliance course, seminar or conference of 2 days or more within the last year.	2 for each day
Industry/Compliance Certifications e.g. Diploma in AML, Diploma in Compliance, CAMS or any other Compliance certifications	5 for each certification
Attendance at an anti-money laundering/compliance course, seminar or conference of less than 2 days (but at least half day) within the last six (6) months	1
Participation as a delegate to an international body (i.e. FATF, CFATF etc.) on the subject of money laundering and/or related fields within the last three (3) years	5
Each year of full-time experience in Compliance, Anti-money laundering or related duties	1 for each year up to a maximum of 5 years

* For individuals making application on the merits of another industry professional certification eg. an Attorney and who also maintain a minimum of a Bachelors degree but not wishing to enroll in the recommended AML/Compliance Diploma and sit the required exam may apply under the qualified practitioner route and must submit to the association a White Paper on a relevant compliance related topic demonstrating their knowledge of the field.

Welcome 2016 New Members

Deadline for membership fees - February 28th, 2016

1. [Membership Renewal Form](#)

2. [Membership Upgrade Form](#)



ANNUAL GENERAL MEETING AND ELECTIONS COMING SOON!!!

BACO
YOUR VOTE COUNTS

Regulatory Developments

Central Bank of The Bahamas

[GUIDELINES FOR LICENSEES ON THE PREVENTION OF MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM](#)

Revised December 11th 2015

Securities Commission of The Bahamas

[Securities Industry \(Anti Money Laundering and Countering the Financing of Terrorism\) Rules, 2011](#)

Issued December 2105

CRS

[Common Reporting Standard \(CRS\) - Organisation for Economic Co-operation and Development](#)



Just for Laughs.....

Know your customer

AML Bank initiated a very strict Know Your Customer policy, collecting detailed information about each customer in order to verify identity. One day Lisa, who is 5 feet, 3 inches tall and pleasingly plump, came in to open a new account. She filled out her new account application and handed it back to Marge, the CSR.

After noting that Lisa had indicated on the form that she was 5-feet, 8 inches, 115 pounds, Marge pondered the information for a minute before leaning over and gently saying, "*Lisa, this is not the Internet.*"