



Poinciana House
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VIA EMAIL

22 July 2021

Dear Registrants/Licensees:

Re: Directive re: Conduct of Self-Risk Assessment

In accordance with Part II – Duty of Financial Institutions, Section 5 – Conduct of Risk Assessment of the Financial Transactions Reporting Act, 2018, the Securities Commission of The Bahamas (“the Commission”) requires that its licensees and registrants self-assess their identified risk, inclusive of the Prevention of Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/PF), and develop a comprehensive risk management system in order to take appropriate measures to manage and mitigate those risks.

The risk assessment should incorporate continuous identification, measurement, monitoring and control of those risks. Additionally, every financial institution shall carry out a risk assessment –

- a) prior to the launch of a new product or business practice;
- b) prior to the use of new or developing technologies; or
- c) when there is a major event or development in the management and operation of the group.

To this end, all licensees and registrants of the Securities Commission of The Bahamas, with the exception of investment funds, are required to submit their documented risk assessments by Friday 22 October 2021. All submissions are to be forwarded to the attention of the Risk Analytics and Examinations Department at email address riskanalytics@scb.gov.bs. Failure to meet this deadline will subject the licensees/registrants to the applicable administrative penalties. Please note that the Commission will provide a template at the end of August 2021 to assist with the completion of the risk assessment for the use of those licensees/registrants who require such assistance.

Licensees of the Central Bank of The Bahamas who may have already undertaken this exercise may submit the same risk assessment as long as it covers activities for which the entity is licensed or registered with the Commission.

Any questions regarding this directive should be sent to Lesley Pearson, Senior Manager, Risk Analytics & Examinations Department, Securities Commission of The Bahamas, Email: riskanalytics@scb.gov.bs.

Yours sincerely,

Christina R. Rolle
Executive Director