



**SPRING EDITION
March 2008**

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MESSAGE FROM THE PRESIDENT



Many thanks to the Executive Board and members at large who have entrusted me with the awesome task of leading this fine organization as your incoming 2008 president. It is my privilege

and honor to accept this position and in doing so, I wish to also recognize and thank the outgoing 2007 Executive Board for their hard work and diligent effort over the past year.

It is the goal of the 2008 Executive Committee (EXCOM) to continue to build upon the existing solid foundation left in place over the years by each previous executive team and to re-energize our membership for this upcoming year.

More importantly, with the Bahamian & worldwide economy constantly changing, we want to find effective ways to keep abreast of the changes around us. During a recent meeting with the Governor of the Central Bank of The Bahamas, the EXCOM were encouraged to actively participate in the implementation of new and amended legislation and guidelines by providing valuable comments and suggestions to same. The EXCOM will endeavor to keep you informed of these changes and seek your valuable input. Additionally, the BACO EXCOM will revitalize our educational committee in order to attract and retain our members and we promise to uphold BACO's core mission to educate and provide adequate training opportunities to our membership.

Here is how we intend to keep our promise:

Re-launch the full day seminar, MLRO Day

Initiate and solidify quarterly membership and joint partner seminars with the Central Bank of the Bahamas.

- * Re-establish that we are in fact the compliance association of The Bahamas by holding a one day conference on the island of Grand Bahama.
- * Stimulate feedback from our membership by performing a membership interest survey.
- * Create a formal partnership with the Bahamas Institute of Financial Services (BIFS) that would assist the association with its demanding administrative efforts.
- * Offer a junior programme in Anti Money Laundering and Compliance and a Diploma in Anti Money Laundering and Crime Prevention..

The aforementioned are only a few of the many activities we have planned for the upcoming year. It's truly going to be an exciting year and we look forward to your participation in order to make this year the best it can be.

On behalf of the 2008 Executive Board, it's my pleasure to say thank you for your confidence in electing us to lead this fine organization. We are ready and committed to providing the best in education and training to our membership and we look forward to your continued support.

Wishing you the best in 2008!

Fabian Bain
President of BACO

INTRODUCING THE NEW EXECUTIVE COMMITTEE



President - Fabian Bain
(Banca Del Gottardo)



Executive Vice President - Denora Butler
(Credit Suisse Trust)



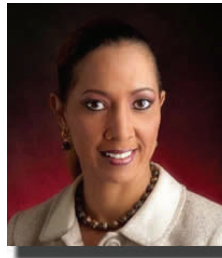
Vice President- Marsha Ferguson
(Itau Private Bank)



Treasurer- Pauline Seymour
(Banco Santander)



Asst. Treasurer- Cheryl Fox
(J P Morgan Chase)



Secretary - Jasmin Strachan
(Citigroup)



Asst. Secretary – Kesna Pinder
(RBC Royal Bank of Canada)



Immediate Past President -
Edward Cooper
(EFG Bank)

Committee Chairs



Education - Hubert Edwards
(Bank of The Bahamas)



Administration - Michelle Miller
(Banca Del Gottardo)



Public Relations - Valentino Bethel
(Dartley Bank)



The New Executive Committee of BACO meets with the Governor of The Central Bank of The Bahamas

By Valentino Bethel

The newly elected Executive Committee of The Bahamas Association of Compliance Officers (BACO) paid a courtesy call on 04 March 2008 to Mrs. Wendy Craigg the Governor of The Central Bank of The Bahamas.

As greetings were brought, the President formally introduced the new Executive Committee of BACO to the Governor. Mrs. Craigg congratulated the new board on their appointments and encouraged them in their efforts to fulfill the 2008 objectives and mandate of BACO.

Mrs. Craigg welcomed the new Board to communicate any joint efforts with the Central Bank in its initiatives to advance the Financial Services Industry, expressing the thought that we can accomplish much more with joint efforts than separately.

The Governor is committed to partnering with BACO in its initiatives for education and training of industry professionals and it is expected that quarterly seminars will be hosted by BACO in conjunction with the Central Bank. Further, the Board was able to discuss with the Governor; current initiatives of the Central Bank and BACO's desire to participate in the review of Legislation.

(Present: Fabian Bain, President / Denora Butler, Executive Vice President / Marsha Ferguson, Vice President / Jasmin Strachan, Secretary / Kesna Pinder, Asst. Secretary / Pauline Seymour, Treasurer / Mario Smith, Education Committee / Hubert Edwards, Education Chairman / Valentino Bethel, Social & Public Relations Chairman / Andrea Saunders, Education Committee)

BACO 2007 Awards Dinner

By Robin Scavella

BACO celebrated in grand style, its 7th Annual Awards ceremony on the 2nd December 2007, focusing the evening on Community Partnerships along with recognition of the achievements of Compliance Professionals in the Bahamas. The crowning moment continued to be the awarding of the Compliance Professional of the Year.

The ceremony was filled with bonhomie, sparked by food and wine pleasing to the palate, with prizes and surprises. The strong team spirit demonstrated by old and new Executive Committee (EXCOM) members was evident and created an evening ablaze with the success of award recipients.

Enjoying the ceremonies with us were: Minister of State for Finance Hon. Zhivargo Laing; Mr. Gregory Moss current President of the Grand Bahama Chamber of Commerce; Minister of Legal Affairs in the Office of the Attorney General Desmond Bannister; Mr. Jerry C. Butler, Executive Director IADB our Keynote Speaker.

Minister Laing recognized the achievements of Compliance professionals to date and in his remarks challenged us to be the facilitator of the necessary tools and resources required by our country's compliance professionals. Additionally, he encouraged us to educate our community at large on the very basis of compliance, ethics and integrity. His encouragement came with a financial pledge of \$25,000 from the Ministry of Finance toward these endeavors. These funds will be made available to BACO after the July Budget meeting of the House of Parliament. BACO will move toward structuring an oversight committee to manage these funds.

Our Keynote Speaker was also filled with encouragement and challenges for BACO. Mr. Butler envisages a compliance association relevant to the Bahamian Society and sees value in promoting the basic ethical principles of right and wrong intrinsic to BACO to our young and community at large. He considered compliance in the Bahamas' present day social context which illustrates violent crime and breakdown in moral values and urged the awakening of an ethical conscience in our communities which would impact the very nature of how we analyze situations and react to them and how we view life. His remarks stirred up thoughts of a possible symposium, in the short term and an institution, in the long term, on ethics. In essence it is not enough for BACO to be relevant in its circle when it can be relevant to the community at large.

The air was energy charged throughout the evening, with members and guests basking in the spirit of possibilities and glowing in the achievements of the awardees.

Partnership Awards were given to Mr. Charles Carter former General Manager of The Nassau Guardian, who facilitated a weekly BACO newspaper article in the publication; Mr. Hulan Hanna, Assistant Commissioner of the Royal Bahamas Police, Members of the Police Force have been supporting BACO since its inception and; Mrs. Kim Bodie Executive Director of Bahamas Institute of Financial Services (BIFS), Mrs. Bodie and her team contributes annually to the success of the ICA programme and supports our annual events. A 2007 Deserving Student was presented to Oneil Bain of the Government High School (GHS), as he was the male student to receive the highest scores in the 2007 Bahamas General Certificate in Secondary Education (BGCSE) results amongst Government schools.

The ceremony ended in celebration of:

2007 recipients of the International Compliance Association (ICA) Diplomas, who were:

- * Monette Albury, Syz Bank and Trust
- * Nicole Armstrong, UBS Bahamas
- * Jasmine Cartwright, Credit Suisse Trust
- * Mia Charlton, Ministry of Finance
- * Anthony Cooke, St James Bank & Trust Company
- * Samantha Ellis, Foyil Asset Management
- * Valarie Edgecombe, RBC Trust



Mrs. Cherise Cox-Nottage, Mr. Charles Carter & The Hon. Zhivargo Laing



Mrs. Kim Bodie & The Hon. Zhivargo Laing

- * Heather Fowler, SG Hambros Bank & Trust
- * Renee Kemp, Corner Bank (Overseas)
- * Lakeisha Miller, St James Bank & Trust Company **(Received the Highest Score)**
- * Jeunesse Osadebay, Credit Suisse
- * Tara Perigord, McKinney Bancroft & Hughes
- * Jennifer L. Rahming, The Private Trust Corp. Ltd.
- * Jennifer Russell, Gaming Board, Freeport
- * Kendrick Stubbs, Royal Bank of Canada
- * Nicole Thompson, Santander Bank & Trust Ltd.
- * Tanya Thurston, CITCO
- * Crystal Ward, Commonwealth Bank

Installation of the 2007 ICA Fellows, who were:

- * Fabian Bain, Gottardo Trust Co. Ltd.
- * Denora Butler, Credit Suisse Trust
- * Cherise Cox-Nottage, UBS Bahamas
- * Mildred Johnson, HSBC
- * Rochelle Lunn, Guaranty Trust Bank
- * Antoinette Russell, Credit Suisse Trust



COMPLIANCE OFFICER OF THE YEAR 2007/2008

Jacqueline Hunt

Awarding of the Compliance Professional of the Year Award 2007

Jacqueline Hunt, BA (Hons) CPA

Head of Compliance

Pictet Bank and Trust Limited, Nassau, Bahamas.

(Please see the BACO website for a biography of Ms. Hunt).

Congratulations to all awardees. Continue to work hard, partnering with BACO in the vineyard of Compliance

FOUNDATIONS (AMENDMENT) ACT 2007

By Denora Butler

The Foundations Act 2004 was enacted on 22 October 2004 and was amended in 2005 and 2007. Specifically, the Foundations (Amendment) Act 2007 deals with certain areas of the legislation which were cumbersome to service providers. Changes were also made to make the Bahamas foundation a more attractive product and to bring it in line with other jurisdictions offering foundations. The following sets out some of the significant changes made by the Foundations (Amendment) Act, 2007.

FOUNDATION AGENT

The Foundation Agent has been created and defined in the amended Act. Previously, only the Secretary of a Bahamas foundation, registered under the Financial Services Providers Act, or an attorney could incorporate a Bahamas foundation. This requirement has been changed to allow a foundation agent to incorporate foundations as long as that agent is a trust company licensed under the Bank and Trust Companies Act. As the foundation agent can also carry out all of the statutory functions of the Secretary, the amendment also extends the requirement for the registered office to be that of the Secretary or the foundation agent.

LEGAL GUARDIAN

The amended Act also includes the definition of a legal guardian who has the right to protect beneficiaries and asset and the definition stipulates that this legal guardian must be located in The Bahamas.

OFFICERS / SUPERVISORY BODIES

The amendment removes the mandatory requirement for an officer to be appointed to the Bahamas foundation and further delineates that the duties and responsibilities of the officer of the foundation is purely administrative. However, if no foundation council or supervisory body is appointed, the officer (s) of the foundation shall act jointly as the governing body to represent the foundation against third parties. The law stipulates that at least there must be one or the other (i.e. officers or a supervisory body). The amendment also goes on to say that if there are no officers the supervisory council must carry out the duties of the officers of the foundation except for the office of Secretary.

It is important to note that while the amendment removes the necessity to appoint officers, it is mandatory for a Secretary or a Foundation Agent to be appointed, which is an officer of the foundation.

The amendment also qualifies the role of the foundation Agent, its powers and duties and how it may co-exist with the office of Secretary.

INFORMATION FILED WITH REGISTRAR

The amendment removes the requirement for information relating to the founder, foundation council or supervisory body to be registered at the Office of the Registrar General. Additionally, it is now required that the Secretary or Foundation Agent of the Bahamas foundation notify the Registrar in writing of any changes within 30 days of their knowledge of the information.

INFORMATION TO BE KEPT AT REGISTERED OFFICE

While the requirement to file the name and address of the founder and foundation council or supervisory body with the Registrar has been removed, the amendment requires that this information is kept at the registered office.

INFORMATION TO BENEFICIARIES

The amendment also changes the requirement for the officer of the Bahamas foundation to notify the beneficiaries of their entitlement. However, the amendment does allow for the Beneficiaries to have a right to information regarding their entitlement upon their request.

Additionally, the ability for beneficiaries to have the right to request any minutes of any officers meeting or meetings of the foundation council or supervisory board has also been removed.

CONFIDENTIALITY ISSUES

The duty of confidentiality owed by the officers to other beneficiaries when supplying information to a beneficiary has been included.

Additionally, the Act now requires that information relating to the identity of the beneficiaries cannot be disclosed to any person or party without the beneficiary's consent or the consent of a beneficiary's legal guardian (as defined by the Act). Previously, the founder was able to give consent.

FINANCIAL INFORMATION

The amendment removes the specific details of the financial information which is required to be kept for the Bahamas foundation and same is now left up to the discretion of the officers or supervisory body of the foundation. This amendment mirrors the similar provisions in the International Companies (IBC) Act 2000.

INDEMNIFICATION OF FOUNDATION AGENT

The amended act codifies the indemnification of the Foundation Agent, except for in the case of fraud.

The following provides a brief summary of the Bahamas foundation legislation and is inclusive of the amendments made to the Act.

- * Separate legal entity.
- * May be established for private, commercial or charitable purpose by Charter or by Will.
- * Founder may reserve certain powers.
- * Must have a Secretary registered under the under the Financial Services Providers Act or a Foundation Agent registered under the Financial Services Providers Act or a trust company registered under the Bank and Trust Companies Act to carry out statutory duties.
- * Must be registered with Registrar General of the Bahamas.

- * Foundation charter or articles may but need not be filed with the Registrar General's Office, but a summary of the certain details of the charter is required to be filed.
- * Legislation provides for a foundation council or other supervisory or governing body / person, including a protector.
- * Re-domiciliation features allow a foundation from another jurisdiction to be re-domiciled to The Bahamas and for a Bahamian foundation to be re-domiciled to another jurisdiction.
- * Vested beneficiaries of a Bahamian Foundation will be entitled to request information from the officers or foundation council of the foundation.
- * Proper records and accounts must be kept by the Officers of the Foundation which can be inspected by any officer, Foundation Council member, founder, auditor or any other supervisory person (e.g. protector) if any at any time.
- * No perpetuity period rules apply.
- * Confidentiality provisions restrict any person acquiring information in his capacity as an officer, protector, council member, attorney or auditor of the foundation from disclosing such information relating to the foundation without the expressed consent from the beneficiaries, or as required by law or a Bahamian court.

UPDATE ON FATF PLENARY MEETING 27/28 February 2008

Chairman's Summary of the FATF Plenary Meeting in Paris, 27-29 February 2008.

The meeting was chaired by the FATF President, Sir. James Sassoon. Key outcomes from the meeting include:

- * a statement on deficiencies in the anti-money laundering (AML) and counter-terrorist financing (CFT) systems in Uzbekistan, Iran, Pakistan, São Tomé & Príncipe and Turkmenistan which also draws attention to the AML/CFT risks in the northern part of Cyprus;
- * welcoming the Caribbean Financial Action Task Force as an FATF associate member;
- * publication of a study on terrorist financing methods and trends;
- * release of new guidance to support the efforts of low capacity countries to implement the FATF Standards;
- * agreement to conduct new projects and initiatives with the private sector;
- * and publication of reports on the anti-money laundering and counter-terrorist financing systems of Canada and Singapore.

At a meeting of all FATF Ministers in Washington DC in April 2008, it is expected that a revised mandate will be adopted for the FATF, setting out future strategic priorities.

See: <http://www.fatf-gafi.org>

"Compliance is becoming an industry unto itself,"

Joseph A. Grundfest, professor of law and business at the Stanford University Law School.

UPCOMING CONFERENCES

Money Laundering Alert - 13th Annual International Conference & Exhibition –
March 16-19, 2008
Hollywood, Fl. USA
<http://www.moneylaunderingconference.com/2008/v4/default.aspx>

6th OffshoreAlert - Financial Due Diligence Conference
April 13 - 15, 2008,
Fort Lauderdale, Fl. USA
<http://www.offshorealertconference.com/OAC2008/home.asp>

Euromoney Training – Managing and Measuring Operational Risk
July 7-10, 2008 and November 17-20, 2008
New York City
<http://www.euromoneytraining.com/Americas>

IIA – International Internal Auditors
2008 Governance, Risk, & Compliance Conference
August 18-20, 2008
Palm Beach, FL
http://www.theiia.org/training/conf/index.cfm?e_code=EVT579

ACAMS 7th Annual International Money Laundering Conference & Exhibition
September 8 - 10, 2008
Las Vegas, NV
<http://www.acams.org/conferences/annual08/default.aspx>

AICP – Association of Insurance Compliance Professionals
Annual Conference 2008
October 5 - October 8, 2008
Atlanta, Georgia
<http://www.aicp.net/annualconference/future.cfm>

BACO CALENDAR - 2008

March 2008

1st Quarter BACO Newsletter
Courtesy Call – Governor of the Central Bank
Courtesy Call – FIU

April 2008

Membership Meeting – Central Bank co-sponsored Seminar – Guidelines
On-Site inspection
Courtesy Call – Minister of State for Finance
BACO Newspaper Article

May 2008

BIFS Bankers Week – Presentation by BACO
Courtesy Call – Attorney General
BACO Newspaper Article

June 2008

2nd Quarter BACO Newsletter
Membership Meeting - MLRO Day
BACO Newspaper Article

July 2008 – August 2008

BACO Summer break

September 2008

3rd Quarter BACO Newsletter
Freeport Seminar
BACO Newspaper Article

October 2008

BFSB Careers Fest
BACO Newspaper Article

November 2008

High School Speech competition in conjunction with Toastmasters
BACO Newspaper Article

December 2008

4th Quarter BACO Newsletter
Church Service (EXCOM and members)
CPYA Awards Evening and ICA Diploma Awards Ceremonies

January 2009

BACO AGM

Please let us know if there are any topics you would like BACO to provide seminars or information about so that we can continue to serve you.

Bahamas Association of Compliance Officers (BACO) Membership Standards

By Lianne Johnson

Membership has its benefits. Current membership fees are USD 200 per annum and affords members various discounts to local and international conferences, seminars and workshops for example a 15% discount at the upcoming Offshore Alert Financial Due Diligence Conference in Fort Lauderdale on April 13th – 15th, 2008. Membership entitles you to valuable e-mail updates on legislation and international initiatives. Membership also entitles you to valuable networking activities and helps you to fulfil your fit and proper requirements as a Compliance Professional. Qualifications for BACO Membership (passed at the Annual General Meeting 27th February 2004) There are currently four categories of Membership each with specific criteria

1. **Academic Member and Student Members**
Persons enrolled in college or

the BACO / ICA Diploma Course

2. **Associate Members**
Persons who are not qualified for professional membership but wish to participate in BACO activities and obtain membership benefits.
3. **Professional Members**
Persons with 20 qualifying credits from the BACO credit award system and Persons who wish to become certified by completing the BACO / ICA Diploma Course. (Members of BACO receive a 5% discount) These persons will have up to two years to initiate the certification process.
4. **Certified Members (CCP)**
Persons with 20 qualifying credits from the BACO credit award system and Completed an EXCOM approved AML / Compliance Diploma Course Elite members of the association entitled to use the designation “CCP” Certified Compliance Professional. Required to obtain a minimum of 10 CPE Continuing Professional Education credit hours per year.

Qualifying Credits System

ACHIEVEMENTS	CREDITS
Bachelor, Master, Ph.D. Degrees or equivalent	15
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	2/3
Attendance at an anti-money laundering/compliance course, seminar or conference of less than 2 days (but at least half day)	1/2
Participation as a delegate to an international body (i.e. FATF, CFATF etc.) on the subject of money laundering and/or related fields.	5
Each year of full-time experience in Compliance, Anti-Money Laundering or related duties.	1-3 for each year

For further information on how you can join this dynamic organization, information on your current category or how you can bring your account up to date, please contact any member of the Executive Committee.

BACO NOTICES

Membership Survey

BACO is your association – Have your say!

- * In the very near future BACO will be circulating a survey to its membership to find out what you think about the Association and get your ideas for the way forward.
- * We ask that you participate so that we can make our association vibrant and useful to our members.

Training

- * Do you know how to achieve appropriate levels of consistent training for your staff?
- * Are you keeping up to date with the ever-changing legislative landscape?
- * Is personal ignorance ever a defense?
- * Are you a seasoned “pro” who has no need to learn of the challenges that fellow colleagues encounter?

Whatever your response you need to participate in BACO. We will provide guidance, suggested training aids and, if you are that seasoned “pro”, we could benefit from your expertise and welcome your participation.

Important Web Sites

- Bahamas Compliance Commission
www.bahamas.gov.bs/compliancecommission
- Bahamas Financial Services Board
www.bfsb-bahamas.com
- Financial Intelligence Unit
legal.counsel@fiubahamas.bs
- The Bahamas Institute of Financial Services
www.bifs-bahamas.com
- The Central Bank of The Bahamas
www.centralbankbahamas.com
- The Securities Commission of The Bahamas
www.scb.gov.bs



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