



The Compliance Commission of The Bahamas

NOTICE

Re: Reminder on CDD obligations for Real Estate sector

Dear Registrants,

Pursuant to section 4 (a) and (b) of the Financial Transactions Reporting Act (FTRA) 2018, a real estate broker is a financial institution when they are involved as real estate broker in financial transactions for their clients concerning the buying or selling of real estate, and with respect to both the vendors and purchasers; and a land developer engaged in the sale or partition or condominiumizing of any part, parcel, lot or condominium unit of any larger tract or lot of land or any development of land involving the building of units sharing walls, common areas and utilities.

A real estate company must collect Customer Due Diligence (CDD) documents to satisfy their company's CDD obligations for both the vendor and purchaser. A real estate broker cannot rely on others such as a lawyer to conduct customer due diligence believing the risk or responsibility lies with others in the process or request a letter from a law firm to confirm that CDD has been conducted. Please see link to Customer Due Diligence Guide A Risk Based Approach For DNFBPs Supervised By The Compliance Commission Of The Bahamas <https://ccb.finance.gov.bs/wp-content/uploads/2022/04/CDD-GUIDANCE.pdf>

CO-BROKERING

In the case of Co-brokering real estate brokers only have to conduct CDD on the party they represent and exchange letters. This process is subject to examination by the Compliance Commission (CC). Please see link to Customer Due Diligence Guide A Risk Based Approach For DNFBPs Supervised By The Compliance Commission Of The Bahamas <https://ccb.finance.gov.bs/wp-content/uploads/2022/04/CDD-GUIDANCE.pdf>

ELIGIBLE INTRODUCER

A real estate company may rely on an eligible introducer, an agent that knows and has conducted CDD on the customer and is introducing the customer only if certain specific requirements are met. Please refer to Eligible Introducer Guidelines https://ccb.finance.gov.bs/wp-content/uploads/2020/04/Guidance-on-Eligible-Introducers-Third-Party-Introduction-for-Lawyers-Accountants-Real-Estate-Brokers-and-Land-Developers_1.pdf

The CC will be conducting training on risk-based CDD Eligible Introducer requirements and PEPs shortly. Please contact Ms. Fredeshia Neely for information on the training schedule via email at fredeshianeely@bahamas.gov.bs

Please see link to Directives and Notices on the CC'S website <https://ccb.finance.gov.bs/news/general-news/>

Should you have any questions or concerns kindly send an email to compliance@bahamas.gov.bs

Yours Truly,

Andrew Strachan
Inspector

Issued: November 3rd, 2022