

Anti Money Laundering Regulations



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The Essentials-VIRGIN ISLANDS ANTI-MONEY LAUNDERING REGULATIONS



(Consolidated by the Financial Services Commission: 15th August 2018)

Regulations apply to relevant businesses and failure to comply will result in prosecution. Essentially the Regulations state the following-

- **C** – Confirm KYC identification procedures, acceptable forms of ID (discuss with the students what would be acceptable)
- **A** – Appoint a MLRO
- **T** – Train their staff
- **C** – Control of staff to ensure compliance within the business
- **H** – Hold copies of records for **five years after the last transaction**



Relevant Businesses (Section 2)

- Banking or Trust business
- Insurance business
- Company Management business
- Investment/Mutual Fund business
- Formation Agent for Legal Persons, Company Officers, Providing Registered Offices for Companies etc, Trustees, Nominee Shareholders
- Service of Telegraphic Money Order or Post Office Money Orders
- Money Service business
- Advisory service for Capital Structure, Industrial Strategy, Mergers and Purchase of Undertakings
- Money Broking business
- Safe Keeping business
- Lending or Financial Leasing business
- Real Estate Agents
- Dealer in Precious Metals or Stones (transaction in cash over \$15,000 or equivalent in other currency)
- Casinos (transactions in cash over \$3,000 or equivalent)



Relevant Businesses (Section 2).....continued

- Legal Practitioners and Notaries engaged in
 - Real Estate
 - Managing Client Money, Securities and other Assets
 - Management of Bank, Savings or Securities Accounts
 - Organisation of Contributions for Creation, Operation or Management of Companies
 - Creation, Operation or Management of Legal Persons or Arrangements, or Buying and Selling of Business Entities



Relevant Person (Section 2)

“A person carrying out a relevant business”



Confirm-KYC/KYF/KYB (Sections 4, 5, 6, 7 and 8)

KYC- Know your customer - identify, verify, maintain

KYF- Know your funds - what, where, why, when, how

KYB- Know your business – who, what, where, why, when, how



Appoint-MLRO (Section 13)

Functions of the MLRO –

- Responsibility for CDD practices
- Policies
- Procedures
- Training
- SAR/STR's
- Reporting and recommendations
- Maintaining and keeping records
- Board functions



Training and compliance(Section 13)

What?

- (a) the provisions of these Regulations, Proceeds of Criminal Conduct Act, the Code and any other enactment relating to money laundering and terrorist financing;
- (b) the provisions of any internal reporting and manual of compliance procedures relating to money laundering and terrorist financing; and
- (c) any additional reporting and related obligations provided in the Code.



Training (Section 16)....continued

Relevant person must provide training and education for all directors, partners, management and key staff regarding-

- AML Regulations,
- Proceeds of Criminal Conduct Act,
- Any other enactment relating to money laundering and terrorist financing
- Relevant regional and international conventions,
- United Nations Security Council Resolutions
- Standards of compliance established by the CFATF, FATF and other relevant organisations
- Personal and the relevant person's obligations under the Regulations
- The manual of compliance, procedures and/or internal control systems and other requirements established pursuant to these Regulations and the Code
- Staff's personal liability for failure to report information or suspicions in accordance with the Regulations, the Code and any other enactment, including any established internal procedures
- The business's policies and procedures to detect and prevent money laundering and terrorist financing and customer identification, record keeping and other procedures



Controls (Sections 8, 9, 11, 12)

Regulations state the following-

Section 8- Establish and Maintain a Record of Verification of Identity (including the nature of the evidence and copies of it)

Section 9- Maintain a Record of Transactions and Reports (this is all transactions and reports of any nature in relation to the client concerned)

Section 11- Format and Retrieval (dictates the format of the records and how they are to be retrieved, and also ability to rely on KYC procedures from third parties)

Section 12- Maintain and Register all Money Laundering Reports and Enquiries (copies and full details of all reports, format they should be made and retained)



Hold Records (Section 10)

Relevant person MUST

- Hold records for at least 5 years AFTER the date of the last transaction with the client if a one off or series of transactions
- Hold records for at least 5 years AFTER business relationship has finished
- If aware of an investigation, MUST hold relevant records as long as may be required by FIA

Any Questions?



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