

VIRGIN ISLANDS

**ANTI-MONEY LAUNDERING AND TERRORIST FINANCING (AMENDMENT) (No.2)
CODE OF PRACTICE, 2012**

ARRANGEMENT OF SECTIONS

Section

1. Citation and commencement.
2. Schedule 4 revoked and replaced.

VIRGIN ISLANDS

STATUTORY INSTRUMENT 2012 NO. 37

**Proceeds of Criminal Conduct Act, 1997
(No. 5 of 1997)**

**Anti-money Laundering and Terrorist Financing (Amendment) (No.2)
Code of Practice, 2012**

[Gazetted 23rd August, 2012]

The Financial Services Commission, in exercise of the powers conferred by section 27 (1) of the Proceeds of Criminal Conduct Act, 1997 (No. 5 of 1997) and after consultation with the Anti-money Laundering and Terrorist Financing Advisory Committee, issues this Code.

Citation and commencement.

1. This Code of Practice may be cited as the Anti-money Laundering and Terrorist Financing (Amendment) (No.2) Code of Practice, 2012 and shall come into force on the same date that the Proceeds of Criminal Conduct (Amendment) Act, 2012 comes into effect.

Schedule 4 revoked and replaced. S.I. No. 13 of 2008

2. Schedule 4 of the Anti-money Laundering and Terrorist Financing Code of Practice, 2008 is revoked and replaced by the following new Schedule:

“SCHEDULE 4

[Section 57 (1)]

OFFENCES AND ADMINISTRATIVE PENALTIES

COLUMN 1 <i>Section of the Code creating offence.</i>	COLUMN 2 <i>General nature of offence.</i>	COLUMN 3 <i>Penalty (Corporate body)</i>	COLUMN 4 <i>Penalty (Individual)</i>
4A (3), (5), (6)	Failure to comply	\$75,000	\$70,000

and (8)	with requirements of subsection (1), or carry out customer due diligence and record keeping measures, or accepting donations linked to money laundering or terrorist financing		
11	Failure to maintain appropriate policies, procedures and other measures to prevent misuse of technological developments	\$75,000	\$70,000
12	Failure to carry out money laundering and terrorist financing risk assessments	\$75,000	\$70,000
14	Failure to comply with the measures required under section 14 (2)	\$75,000	\$70,000
15 (1)	Failure by an employee to comply with internal control systems of an employer, or to disclose a suspicion		\$65,000
16 (3)	Failure to comply with the prescribed obligations in relation to a Reporting Officer	\$55,000	\$50,000
18 (1)	Failure by an		\$70,000

	employee to report a suspicious activity or transaction		
19 (2), (4) and (5)	Failure to engage in or undertake customer due diligence, or additional customer due diligence in the case of a trustee of a trust or a legal person	\$75,000	\$70,000
20	Failure to engage in enhanced customer due diligence	\$75,000	\$70,000
21	Failure to review and keep up-to-date customer due diligence information in the required manner	\$65,000	\$60,000
29 (2) and (4)	Failure to adopt relevant measures or additional measures or checks in non-face to face relationships	\$75,000	\$70,000
30 (1) and (3)	Failure to ensure proper certification of document, or accepting certified document contrary to the section	\$75,000	\$70,000
30 (4)	Failure to verify existence of certifier of document	\$65,000	\$60,000

31 (2) and (5)	Failure to record an introduction of an applicant for business or a customer, or to ensure that an introducer reviews and maintains customer due diligence information as required	\$60,000	\$55,000
32	Failure to take post verification steps required under the section	\$55,000	\$50,000
36	Failure by a correspondent bank to satisfy itself regarding necessary customer due diligence measures required to be undertaken by a respondent bank	\$75,000	\$75,000
39 (1) and (3)	Failure to ensure transfer of funds accompanied by full originator information, or to verify full originator information	\$70,000	\$65,000
39 (6)	Failure to keep records of full originator information on payer	\$75,000	\$70,000

41 (2) and (5)	Failure to keep information received on payer with the transfer of funds, or to provide upon request within the specified time information on payer that the intermediary payment service provider has received	\$70,000	\$65,000
41 (6)	Failure to keep records of information on payer for the specified period	\$75,000	\$70,000
42 (2)	Failure to maintain records in the required form	\$50,000	\$50,000
43 (1) and (2)	Failure to ensure required contents of record, or to ensure that the manner of keeping records does not hinder monitoring of business relationships and transactions	\$55,000	\$50,000
44	Failure to maintain transaction records	\$75,000	\$70,000
46(2)	Entering into an outsourcing agreement for the retention of records whereby access to such records is impeded by	\$75,000	\$70,000

	confidentiality or data protection restrictions, or the outsourcing prevents or impedes the implementation of the Anti-money Laundering Regulations, 2008, this Code or other enactment relating to money laundering or terrorist financing		
47 (1)	Failure to train employees	\$70,000	\$65,000
48 (1) and (2)	Failure to provide training at appropriate frequencies or to the desired level and standard	\$70,000	\$65,000
52	Failure to pay special attention to business relationships or transactions connected to a jurisdiction that does not apply or insufficiently applies FATF Recommendations, or to perform obligations in relation to a jurisdiction that is no longer recognized	\$75,000	\$70,000
54 (1) and (2)	Failure to make or submit a report in the proper form	\$50,000	\$50,000”

Issued by the Financial Services Commission this 9th day of August, 2012.

Sgd.: Robert Mathavious
Managing Director/CEO