



THE COMMISSION'S AML UNIT HIGHLIGHTS THE PROCEEDS OF CRIMINAL CONDUCT (AMENDMENT) ACT, 2021



In its May newsletter, the BVI Financial Services Commission (the 'Commission') informed licensees of the passage of several AML/CFT related legislation. Today we highlight the Proceeds of Criminal Conduct (Amendment) Act, 2021 (the 'Amendment Act'), which came into force on July 09 2021.

The Amendment Act modifies definitions of various terminology found in the Proceeds of Criminal Conduct Act, 1997, including "money laundering" and "terrorist financing" to ensure a more effective law enforcement process related to investigating money laundering, terrorist financing and proliferation financing. It also amends the definition of "property" to include "virtual assets" as any digital representation of value that can be digitally traded or transferred and used for payment or investment purposes.

In addition, the Amendment Act crystallises the Financial Investigation Agency as the sole authority responsible for the receipt of suspicious activity reports (SARs) and other disclosures relating to money laundering and terrorist financing.

The Amendment formalises the National Anti-money Laundering and Terrorist Financing Coordinating Council ("NAMLCC"), which coordinates all AML/CFT related policies and ensures the Territory's compliance with established international standards to which the Territory is a party or has subscribed.

NAMLCC consists of:

- the Premier, as Chairperson;
- the Governor;
- the Deputy Governor;
- the Attorney General;
- the Managing Director of the Commission;
- a member of the Joint Anti-money Laundering and Terrorist Financing Advisory Committee established under section 27A of the Proceeds of Criminal Conduct Act;
- a member of the Inter-governmental Committee on Anti-money Laundering and Countering the Financing of Terrorism established under section 50 of the Anti-money Laundering and Terrorist Financing Code of Practice; and
- a member of the Council of Competent Authorities established under section 10A of the Criminal Justice (International Cooperation) Act, 1993

The Amendment Act also makes it clear that a police officer or customs officer may seize and detain any cash found within the Territory if reasonable grounds exist to suspect that the cash is intended to be used in relation to criminal conduct or that it represents (directly or indirectly) the proceeds of criminal conduct. This includes cash imported or exported above the established threshold of \$10,000 if persons fail to declare such sums to a customs officer. These enforcement powers provide greater certainty to law enforcement officers when dealing with cash found in the Territory, with the governing rule being the suspicion attached relating to criminal conduct.

Licensees are advised to familiarise themselves with the Proceeds of Criminal Conduct Act amendments and all other recent legislative amendments. Licensees are also encouraged to take account of relevant amendments when updating their policies and procedures and ensure training is conducted accordingly. The Commission will continue to highlight amendments to AML/CFT related legislation in future articles.



THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS: “BEST EGMONT CASES - FINANCIAL ANALYSIS CASES 2014 - 2020”

The Egmont publication is a collection of 26 case studies stemming from real cases that Egmont member Financial Intelligence Units have reviewed. The case studies highlight various money laundering/terrorist financing (ML/TF) typologies, and their compilation is the result of the second Best Egmont Case Award Competition.

The publication highlights the evolution of ML and TF typologies and predicate offences and provides learning opportunities for Egmont members and the global community. Industry practitioners should review the document for tips on identifying suspicious activity and use the case studies as training tools to better understand the importance of ensuring suspicious activity reports ('SARs') filed with the Financial Investigation Agency are of high quality, as SARs are often the starting point of a successful investigation.

The case studies focus on seven targeted categories of predicate offences and associated ML typologies:

1. Bribery and Corruption
2. Cybercrime and Cryptocurrency
3. Drug Trafficking
4. Fraud and Embezzlement
5. Smuggling and Gambling
6. Trade-Based Money Laundering and Third-party Money Laundering
7. Terrorism Financing, Organized Crime and Human Trafficking

The publication can be accessed [here](#).

The BVI is a member of the Egmont Group, which provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing.

FURTHER FINDINGS FROM ML AND TF RISK ASSESSMENT REPORT FOR TRUST AND CORPORATE SERVICES PROVIDERS SECTOR



This month focuses on the Trust and Corporate Services Providers (TCSP) sector and findings of the recent ML and TF Risk Assessments Reports ('the Reports'). The goal is to help TCSPs better understand their ML and TF risks and make the public better aware of the ML and TF threats and vulnerabilities facing the Territory.

ML Risk Findings: - Threats, Vulnerabilities, Risks Factors and Overall Ratings

Based on the following listed risk factors, the ML risk assessment found the TCSP sector at High risk for ML:

- the large size and nature of the sector;
- the complexity of available structures;
- large transaction sizes and values;
- wide geographic dispersion of clientele;
- the execution of a large number of non-face-to-face transactions;
- and exposure to high-risk customers and jurisdictions.

Vulnerabilities identified in the ML risk assessment included:

- Potential for legal persons and legal arrangements to be used to conceal the source of assets and the identity of beneficial owners,
- The exposure of TCSPs, domestically and internationally, to matters of ML, fraud and tax evasion through the activities of their clients and
- Deficient client verification and CDD measures, inadequate reporting of SARs, and inadequate internal controls.

TF Risk Findings: - Threats, Vulnerabilities, Risks Factors and Overall Ratings

The TF risk assessment identified similar risk factors within the TCSP sector, including:

- The large size and nature of the sector;
- The complexity of available structures;
- Large transaction sizes and values;
- Wide geographic dispersion of clientele;
- Large numbers of non-face to face transactions; and
- exposure to high-risk customers and jurisdictions.

The TF risk assessment, however, found the TCSP sector to be at a Medium-low risk for TF.

Within the TF risk assessment, threats Identified included the risk of misuse of available services and products based on the size of client bases and transaction volumes. Vulnerabilities identified included the provision of services to clients operating in jurisdictions of elevated risk and the potential of TCSPs being used to facilitate the movement of funds in support of terrorist and TF activities. With regard to trusts, however, there was no evidence of these structures being used as vehicles by terrorist organisations or sympathisers to facilitate TF.

What Should Be Done Going Forward?

TCSPs and all financial institutions should take account of all identified national threats and vulnerabilities and should ensure the recommendations made in both reports are fully implemented into their own risk assessments to help mitigate risks identified. The Commission will undertake assessment of such implementation through its onsite and desk-based supervision on an ongoing basis. TCSPs should also be mindful of the results of other sectors' risk assessments as entities within those sectors may be their clients.

All recommendations can be found in the Virgin Islands Financial Services Sector [Money Laundering Risk assessment report](#) and [Terrorist Financing Risk assessment report](#).

For any questions about the ML or TF risk assessment please email aml@bvifsc.vg.



BVI FSC ISSUES PUBLIC STATEMENTS

Under Section 37A of the Financial Services Commission Act, 2001, the Commission considers it necessary to issue Public Statements to protect the customers, creditors, or persons who may have been solicited to conduct business with purported financial services entities.

The public is advised to exercise caution when conducting business with the following persons:

DESCRIPTION	FEES
DAILY EARNING LTD	22 September 2021
ACCURATE TRADING FX LIMITED	24 September 2021

All public statements can be found on our website at www.bvifsc.vg.



- Main Administration office (18 Pasea Road) and the Registry of Corporate Affairs (ROCA) reception office are open from 9:00a.m. - 4:00p.m.
- Contactless Certificate Collection 9:00 a.m. - 4:00 p.m. by appointment only. Agents should email bookings@bvifsc.vg or call (284) 852-4120 to schedule appointments.

Options for remittances to the Commission

- [Electronic Transfers](#)
- For regulatory fees - reception in the Administration building
- Payments for deposit accounts (*including those necessitated by a court order*) - at the Finance window in the ROCA building
- Same-day processing for cheques dropped off to replenish deposit accounts before 4:00p.m.

FOR YOUR CALENDAR

1 OCT	14 OCT	18 OCT
Hong Kong Office Closure National Day Holiday	Hong Kong Office Closure Chung Yeug Holiday	BVI Office Closure Heroes' and Forefathers Holiday