



Industry Circular No. 24 of 2020

Guidance on Compliance with Independent ID Verification and Staff Training during Covid-19 Pandemic

The BVI Financial Services Commission (“FSC”) issues this guidance to assist its licensees in the application of the independent ID verification and staff training obligations set out in the AML/CFT Code of Practice and in response to the global changes to business operations as a result of the COVID-19 pandemic. The FSC expects its licensees to continue to comply with their AML/CFT obligations during the pandemic period.

Acceptable/appropriate methods of independent verification:

Q. What are some of the acceptable options for verification given that the majority of business is non-face to face during the COVID-19 pandemic?

- A. The FSC is mindful of the challenges posed to conducting customer verification in the current environment of COVID-19, where curfew orders, social distancing, and self-isolation have become a part of our daily existence. Emerging risks arising out of the current pandemic environment have been identified by the FATF, which makes it even more important to confirm that a client is who they say they are. Independent verification options are a critical part of the client acceptance process, particularly for ECDD purposes.

Section 23 of the AML/CFT Code of Practice provides for the acceptance of electronic/digital verification of identity. The FSC does not wish to be overly prescriptive in outlining acceptable verification options; instead, customer verification options should align with licensees’ risk assessments of their clients. Accepted documents, electronic or otherwise, should fit with clients’ risk profiles and be subject to appropriate risk management processes.

As the AML/CFT Code of Practice requires you to take a risk-based approach to your operations, licensees should have client monitoring procedures commensurate with any risk assessment carried out.

Q. What should a licensee do if ID verification attempts are unsuccessful during the COVID-19 pandemic?

- A. Where verification has been attempted unsuccessfully due to restrictions relating to the ongoing pandemic, such attempts should be documented and made available to the supervisor upon request. Licensees should review unsuccessful ID verifications at regular intervals during the pandemic period.

Q. Can Licensees accept IDs that have expired during the COVID-19 pandemic?

- A. Where identification documents may have recently expired, these may still be accepted but should be flagged for follow up within a reasonable time to ensure they are updated accordingly.

Staff Training

Q. Can the FSC confirm whether the staff training requirements for this calendar year would be suspended in light of the cancellation of several scheduled conferences and whether proof of cancellations or other options that suit the Commission would be required?

- A. Licensees are strongly encouraged to consider alternative delivery methods for AML related staff training. Options which do not require persons to travel or be physically present in a classroom-type environment may be facilitated via online platforms, or through participation in webinars and other online learning modules. In-house training, which may be facilitated by your MLRO, compliance officer, or another qualified senior officer, should be considered to meet the staff training obligations.

Licensees should document any instance where scheduled AML training is postponed or cancelled by the organiser or yourself, due to COVID-19 pandemic restrictions, and specify (a) the reasons for the cancellation, whether due to travel or other social distancing restrictions and (b) that attempts to source alternative arrangements were unsuccessful.

Licensees may submit further queries on compliance with the AML/CFT regime to the FSC at Corpcomm@bvifsc.vg.