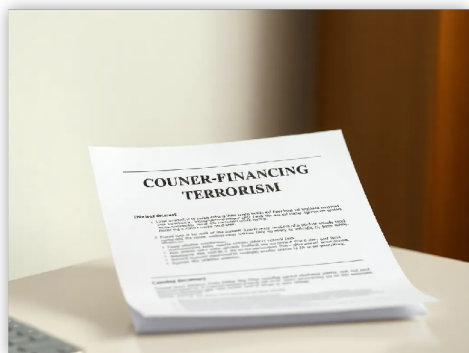




Strengthening CFT Compliance in the Virgin Islands

Understanding Countering the Financing of Terrorism (CFT)



WHAT IS CFT?

CFT = *Countering the Financing of Terrorism*

- Policies, strategies, laws, regulations, and actions designed to **disrupt the flow of funds and resources to terrorist organizations**
- Aims to prevent terrorist groups from **raising, accessing, moving, or using funds** to plan and carry out attacks or train terrorist fighters

Includes efforts to identify and report suspicious activities, freeze terrorist assets, and strengthen financial systems to block these funds from reaching terrorists.

WHY CFT MATTERS IN THE VI

- Strong CFT controls maintain regulatory credibility
- Protects the VI's financial system from terrorist financing risks
- **Non-compliance risks:**
 - Sanctions
 - Criminal Liability
 - Reputational damage



CFT OBLIGATIONS

Financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) must:



Apply a **Risk-Based Approach** to identify and mitigate terrorist financing risks



Conduct Customer Due Diligence (**CDD**) and Know Your Customer (**KYC**) verifications



File Suspicious Activity Reports (**SARs**) with the Financial Investigation Agency (**FIA**)



Screen for sanctions violations



Maintain **proper records** in keeping with regulatory requirements



Strengthen internal controls

STRENGTHENING INTERNAL CONTROLS



Embed clear **policies & procedures**



Appoint Qualified and Independent **MLROs & Compliance Officers/ Personnel**



Regularly **test and update controls**



Provide **ongoing staff training** on CFT obligations and procedures



Build a **culture of compliance** at all levels

Your vigilance strengthens the Virgin Islands' defenses against terrorist financing.



Learn more: www.bvifsc.vg



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