



*TRUST AND CORPORATE SERVICES PROVIDERS'
AML GUIDELINES:*

A Tool for Demonstrating Compliance

Trust and Corporate Services Providers (**TCSPs**) are an integral part of financial services and global trade. The supervisor for TCSPs in the Virgin Islands, the Financial Services Commission (the **Commission**), issued Trust and Corporate Services Providers' Guide to the Prevention of Money Laundering, Terrorist Financing and Proliferation Financing (the **TCSPs Guidelines**) in March 2023 for TCSPs to ensure that they have the necessary coverage in their compliance framework and risk management strategies to forestall and mitigate against the risks of money laundering (**ML**), terrorist financing (**TF**) and proliferation financing (**PF**). The TCSPs Guidelines also provides support of, and additional context to the Financial Action Task Force's (**FATF**) Typology Reports and the risks from criminals and other bad actors who may seek to use TCSPs for ML, TF, PF or other criminal purposes.

As a refresher to the TCSPs Guidelines, recall that TCSPs may be exposed to ML/TF/PF and other risks where criminals may seek to obscure the origin and ownership of criminally obtained assets through placement in the legal structures or legal arrangements they service. Risks from obscure ownership may also expose TCSPs to bad actors using corporate vehicles for sanctions evasion, illicit financing activities and other financial crimes.

What must BVI TCSPs do? TCSPs can use the TCSPs Guidelines to assist in implementing sound risk management measures to mitigate against ML, TF and PF risks. TCSPs should ensure that their compliance framework addresses the critical success factors for compliance and risk mitigation for ML/TF/PF risks as detailed within the TCSPs Guidelines. In addition, training of all staff (and testing of training provided) within a TCSP is an essential component to the ongoing upskilling of staff, concurrently with the reinforcement of the compliance framework.

Key issues covered in the TCSPs Guidelines, which should also be addressed in your compliance manuals and in staff training include, but are not limited to, the following:

- a) Updating procedures for maintaining or elevating robust customer due diligence and enhanced customer due diligence procedures.
- b) Maintaining proper record keeping measures.
- c) Complying with statutory reporting obligations.
- d) Monitoring and assessing risks that are present in the use of legal structures and legal arrangements, and within the wider operations of TCSPs.

What next? The Commission expects that licensed TCSPs will have fully considered the TCSPs Guidelines. TCSPs must ensure that they are able to effectively monitor, manage and mitigate against money laundering, terrorist financing and proliferation financing risks as part of a robust AML/CFT framework.

The Commission will be reviewing how and to what extent TCSPs incorporate the Guidelines into their practices as part of its desk-based supervisory module, prudential checks and onsite inspections.