



*Implementing the 2023 Amendments to AML Code  
and Regulations:*

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# **What the Commission Will Be Looking For**

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The Anti-Money Laundering and Terrorist Financing (Amendment) Code of Practice, 2023 and the Anti-Money Laundering (Amendment) Regulations, 2023 took effect in March 2023. These amendments augmented existing laws to achieve fuller coverage of the AML/CFT obligations for businesses and professionals. Changes addressed include the following:

- a) Customer Due Diligence (**CDD**) requirements – requires the licensees to understand the nature and purpose of the business relationships as well as identify circumstances (trigger events) which would require updating of CDD.
- b) Trustee disclosing itself and holding beneficial ownership information – which requires a trustee to a) disclose when it is acting in that capacity, b) collect, hold and keep up-to-date beneficial ownership and control information in relation to the trust, and c) ensure records are kept five years after the termination of the business relationship.
- c) Verification of Legal Persons – which augments existing requirements to require licensees to obtain proof that legal persons exist, as well as obtain information on a legal person's controllers, beneficial owners, representatives and connected persons.
- d) Customer Due Diligence for Nominators and Trustees – which requires the disclosure of nominators, other fiduciaries, beneficiaries and other persons that are parties to trust structures.
- e) Anti-Money Laundering Obligations of Financial Groups – which enhance independent audit and AML/CFT functions of financial groups by requiring group policies and procedures to include information and analysis on transactions or activities flagged as unusual, as well as allows for cross-branch and subsidiary information sharing for management of ML, TF, and PF risks.
- f) Money Services Businesses (**MSBs**) and Agents – to ensure, where MSBs conduct money services business through agents, that controls are in place to properly monitor agents for their AML/CFT compliance programme.

One year on from these amendments, there are five essential steps needed to ensure that licensees implement necessary changes.

**STEP 1. Ensure that your compliance manuals have been updated to address the 2023 amendments!** As a reminder, licensees are required to have a compliance manual that fully addresses their obligations under the Code and Regulations. Scenario-based examples are also useful reference points to include in compliance manuals.

**STEP 2. Confirm that these amendments have been implemented.** Licensees should ensure that these amendments have been properly discussed and approved at the Board level and the relevant changes in procedures have been made.

**STEP 3. Obtain requisite approval of revised compliance manuals from the Financial Services Commission (the Commission).** Licensees are required to submit their revised compliance manuals for approval. This requirement is triggered by changes made in the 2023 amendments. If you have not yet done so, ensure that you adhere to your obligations under Regulation 3(3) of the AML Regulations to seek approval of your compliance manual, particularly as it relates to changes of identification procedures, record keeping procedures, internal reporting procedures and internal controls and communication procedures.

**STEP 4. Educate staff on the changes triggered by the 2023 amendments.**

Licensees must ensure that their staff have been trained on all changes to AML/CFT requirements including the methods used to implement these requirements. Ideally, training should include case studies and/or scenario-based examples to aid in educational strategies. Training should also contain a testing component.

**STEP 5. Demonstrate your compliance.** The Commission will be including reviews of this and other updates to compliance laws and regulations in their desk-based supervisory module, prudential checks, and onsite inspections. Licensees must keep accurate records which are easily accessible, legible and would clearly demonstrate compliance.