



GUIDELINES FOR SUBMISSION OF CASH TRANSACTION THRESHOLD REPORTS

March 2021

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1. Definitions

AML/CFT Act means the Anti-Money Laundering and Countering the Financing of Terrorism Act 2020, as amended.

Bearer cheque is a cheque that is made payable to the person who presents it to the bank for encashment.

Cash includes notes and coins of Seychelles or of any other country which is a legal tender and accepted as a medium of exchange in the country of its issue, postal orders, bearer cheques which passes title thereto upon delivery including travelers' cheques, bank drafts and bearer bonds.

Cash Transaction Threshold Reports means a report that Reporting Entities are required to file with the FIU when executing cash transactions above the prescribed threshold in terms of section 5 of the AML/CFT Act.

Financial Intelligence Unit means the body corporate established under section 10 of the AML/CFT Act.

Natural person means an individual who is present at a reporting entity to conduct, or who remotely authorizes through established protocols, a transaction on his/her own behalf or on behalf of a legal entity or person.

Reporter means a Compliance Officer or an Alternate Compliance Officer appointed in terms of section 34 (1) and 34 (3) of the AML/CFT Act and respectively who shall be responsible for submitting cash transaction threshold reports to the FIU.

Reporting Entity means an entity or person specified in the First Schedule of the AML/CFT Act

Wire Transfer Threshold Report means a report that Financial Institutions are required

to submit to the FIU in line with section 5 of the AML/CFT Act for executing wire transfers that meets or exceeds the prescribed threshold.

2. Acronyms and Abbreviations

ACO	Alternate Compliance Officer
AML/CFT Act	Anti-Money Laundering and Countering the Financing of Terrorism Act 2020, as amended
ATM	Automated Teller Machine
BDC	Bureau De Change
CO	Compliance Officer
CTTR	Cash Transaction Threshold Report
FIU	Financial Intelligence Unit
ML/TF	Money Laundering/Terrorist Financing
RE	Reporting Entity
SCR	Seychelles Rupee
STR	Suspicious Transaction Report

3. Scope and Application of this Guideline

- 3.1. The objectives of these guidelines are to assist reporting entities (“REs”) to comply with the cash transaction threshold reporting obligations in terms of the Anti-Money Laundering and Countering the Financing of Terrorism Act 2020 (“AML/ CFT Act”). It provides general guidance on the reporting obligation and procedures for submitting cash transaction threshold reports (“CTTR”) to the Financial Intelligence Unit (“FIU”), in line with section 5 of the AML/ CFT Act. In particular, these guidelines explain reporting timelines, mandatory information to be included in the CTTR; and the procedure for submitting reports electronically to the FIU.
- 3.2. The procedures for wire transfer threshold reports are provided for in separate guidelines.
(https://www.seychellesfiu.sc/FIU/Legislations/Guidelines/Submission_of_WTTR.pdf)
- 3.3. The FIU emphasises that the contents of these guidelines are to provide general information and guidance only, and is not intended to act as a substitute to the reader’s own assessment, nor relieve the user of these guidelines from the responsibility of exercising their own skill, knowledge and due care in relation to the specific circumstances of the transaction. As such, these guidelines are not intended to constitute legal advice from the FIU nor is it intended to replace the AML/ CFT Act.
- 3.4. In addition, RE shall not confuse a CTTR with a suspicious transaction report (“STR”). If the RE has reasonable grounds to suspect that any service or transaction may be related to the commission of the offence of money laundering, the RE shall submit an STR to the FIU, in line with the requirements under section 48 of the AML/ CFT Act regardless of the amount of the transaction.

- 3.5. The FIU assures all REs of the confidentiality and integrity of the information received by the FIU.
- 3.6. These guidelines shall take effect on **November 6th, 2020** and first reporting of cash transactions will commence on **December 1st, 2020**. The initial submission by RE should include all reportable transactions from the commencement of the AML/CFT Act being August 28th, 2020.
- 3.7. The first reporting of cash transactions by Banks acting as Bureau de Change for forex trading in respect of persons who are **not** their customers should include all reportable transactions from the commencement of the AML/CFT (Amendment) Act 2021, being March 5th, 2021.

4. Introduction

- 4.1. The Third Schedule of the AML/CFT Act provides the obligation for REs to report cash transactions above a prescribed threshold which is unique to the nature and scope of the licensable activities of the RE. Please refer to **Annexure 1.0** for the list of REs and frequency of CTTRs submission and **Annexure 2.0** for an extract of the Third Schedule of the AML/CFT Act.
- 4.2. Cash transaction threshold reporting in line with section 5 of the AML/CFT Act provides the FIU with the mechanism to proactively monitor and report on cash transactions which may be linked to money laundering or terrorist financing activities, so that potential proceeds of crime are timeously identified and investigated.

5. Part 1: Who Must Submit CTTR

- 5.1. The obligation to report cash transactions above the prescribed threshold in line with section 5 of the AML/ CFT Act applies to all REs (specified under the First Schedule of the AML/ CFT Act) as listed hereunder:

PART A

- A licensee under the Financial Institutions Act.
- Any entity to which the Financial Institutions (Application of Act) Regulations, 2010 apply.
- A licensee under the Credit Union Act.
- A licensee under the Financial Leasing Act.
- A payment services provider and operator of a payment, clearing or settlement system under the National Payment System Act, excluding the Central Bank of Seychelles.

PART B

- A Fund Administrator licensed under the Mutual Fund and Hedge Fund Act.
- A licensee under the Securities Act, except an investment advisor's representative or a securities dealer's representative;
- A licensee under the Insurance Act;
- A licensee under the Seychelles Gambling Act, 2014
- A licensee under the International Corporate Service Providers Act.

PART C

- Accountants
- Lawyers and notaries
- Real Estate Agents
- High-value dealers (this includes persons who receives at least SCR 200,000 for payment of goods and services by way of business, e.g. Motor Vehicle Dealers etc...)
- Dealers in precious metals
- Dealers in precious stones

- Casinos
- Trust and Company Service Providers which provide any of the following services to third parties;
 - acting as a formation agent of legal persons;
 - acting as a director or secretary of a company; a partner of a partnership or a similar position in relation to other legal persons;
 - providing a registered office, business address or accommodation or correspondence or administrative address for a company, a partnership or any other legal person or legal arrangement;
 - acting as a trustee of an express trust or performing the equivalent function for another form of legal arrangement; and
 - acting as a nominee share holder for another person.
- A person who, by way of business invests, administers or manages funds or money on behalf of third parties.

5.2. In accordance with section 34 (2) (h) of the AML/CFT Act, the Compliance Officer (“CO”) has the function of liaison between the RE and the FIU in all matters relating to ML/ TF and for compliance with the provisions of the AML/CFT Act. Accordingly, the CO shall be the reporter for cash transaction threshold reporting for the purpose of section 5 AML/CFT Act. The Alternate Compliance Officer (“ACO”) appointed in line with section 34 (3) of the AML/CFT shall assume the role of reporter for cash transaction threshold reporting in the absence of the CO.

6. Part 2: When are RES Required to Submit CTTR

6.1. The Third Schedule of the AML/CFT Act specifies the threshold amount to be reported. Serial number 1 applies to all REs except for the gambling sector specified under serial number 3 and Bureau De Change (“BDC”) including banks acting as Bureau de Change for forex trading in respect of persons who are not their customers which has been specified under serial number 4.

6.2. The obligation to report in terms of the Third Schedule of the AML/CFT Act arises when a transaction, or series of aggregated transactions, are concluded with a client by means of which cash or equivalent money in the currency of other countries in the instances and amount specified below:

6.2.1. every RE shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more;

6.2.2. gambling sector shall report all transactions of its customers involving SCR 20,000 or more; and

6.2.3. BDC shall report all transactions of its customers involving SCR 5,000 or more.

6.2.4. Banks acting as Bureau de Change for forex trading in respect of persons who are not their customers shall report all transactions of SCR 5,000 or more.

6.3. The obligation therefore extends to cash which is the equivalent of or in excess of the prescribed amount being **received** or **disbursed** by the RE.

6.3.1. Received by the RE

REs are required to report if the cash transaction meets or exceeds the threshold reporting requirement in a single transaction or in a series of related transactions in a single business day. This includes, but may not be limited to:

- Cash received by a RE from a natural person, legal person or legal arrangement that meets or exceeds the threshold reporting requirement. This includes the following:
 - Card or card-less cash deposits at Automated Teller Machines (“ATMs”)

- Night safe deposits
- Onsite cash collection (i.e. cash collected at customer's premises)
- If the cash is received in a foreign currency, the RE shall convert the transaction amount; using the exchange rate applicable at the time of transaction, to the SCR to determine if the transaction or related aggregated transactions meets the CTTR reporting threshold.

6.3.2. Disbursed by the RE

REs are required to report if the cash disbursed meets or exceeds the threshold reporting requirement in a single transaction or in a series of related transactions in a single business day. This includes, but may not be limited to:

- Cash disbursed by the RE from the client's account. This excludes, cash withdrawals from ATM and Point of Sale ("POS").
- Other cash disbursements by a RE to a natural person, legal person or arrangement that meets or exceeds the threshold reporting requirement.
- If the cash disbursed is in a foreign currency, the RE shall convert the transaction amount; using the exchange rate applicable at the time of transaction, to the SCR to determine if the transaction or related aggregated transactions meets the CTTR reporting requirement.

6.4. In case of a part payment involving cash, then only the cash portion meeting or exceeding the prescribed threshold must be reported to the FIU.

6.5. Provided hereunder are some examples of instances where REs shall submit a CTTR. Please note that below referenced examples do not constitute all possible reporting scenarios.

EXAMPLE 1: Cash deposited into a single customer account.

Mr. A, Mr. B, and Mrs. C are depositing SCR 20,000 cash each, into Customer Mr. D's bank account during the course of a single business day and the activity involves related business transactions. The aggregate of these related transactions is in excess of the SCR 50,000 threshold; thus, this should be reported to the FIU as the aggregated cash amount is SCR 60,000. In the completed CTTR Form, RE should list all transactions separately as below:

Transaction 1 – cash deposit for SCR 20,000, Transaction 2 – cash deposit for SCR 20,000, and Transaction 3 – cash deposit for SCR 20,000.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

EXAMPLE 2: Customer Mr. X makes multiple cash deposits in the morning amounting to SCR 30,000 cash and in the afternoon of the same business day makes another SCR 25,000 cash deposit into his own account.

This amount is in excess of the SCR 50,000 threshold and thus a CTTR should be filed with the FIU in the specified form as the aggregated cash transactions amount is SCR 55,000.

If the RE suspects Customer Mr. X is structuring the deposits to avoid the cash transaction reporting requirement or if this activity is inconsistent with the customer's profile, the RE should also submit an STR to the FIU.

EXAMPLE 3: A person enters a casino and purchases SCR 5,000 worth in chips in four separate cash transactions within a single business day. The amount is equivalent to the SCR 20,000 threshold and thus a CTTR should be filed with FIU in the specified form listing all the separate cash transactions. In general, Casinos should consider such activity as linked transactions and aggregate them accordingly.

Transaction 1 – cash deposit of SCR 5,000,

Transaction 2 – cash deposit of SCR 5,000,

Transaction 3 – cash deposit of SCR 5,000,

Transaction 4 – cash deposit of SCR 5,000.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

EXAMPLE 4: Foreign exchange at BDC.

Mr. X visits 3 branches of ABC Exchange (BDC) on the same business day. Mr. X exchanges SCR 1,700 in cash for US Dollars in three separate transactions at three different ABC Exchange branches (i.e. combined aggregated cash total is over SCR 5,000). All the foreign currency transaction was conducted by the same person, and this amount is in excess of the threshold of SCR 5,000. The BDC should therefore file a CTTR and should list all transactions separately.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

7. Part 3: Information Required in a CTTR

7.1. The information to be included in a CTTR will depend on the type of transaction and the role of the natural person making the transaction. REs shall record the details of all natural persons facilitating transactions on behalf of other natural persons, legal persons and legal arrangements. More details in respect to specific information which must be included in the CTTR is provided in the forms and guidance notes as specified on the FIU's website, www.seychellesfiu.sc.

8. Part 4: Methods for Filing CTTR

8.1. In line with section 5 of the AML/ CFT Act the CTTR must be filed with the FIU electronically by emailing the completed form to thresholdreporting@fiu.sc. Sector specific reporting forms are available on the FIU website, www.seychellesfiu.sc/FIU/?page_id=1245

8.2. For security purposes, all completed CTTR forms must be compressed and encrypted, followed by submission via email, as per the detailed process hereunder:

- a. The completed CTTR form should be compressed into a zipped file (Follow the instruction and the video link on the FIU website (www.seychellesfiu.sc) on "*How to Compress & Encrypt Using Peazip*" for more information on how to compress and encrypt your CTTR form).
- b. Password protect the zipped file before emailing to the FIU;
- c. Email **only** the password-protected zipped file to the same email address; thresholdreporting@fiu.sc.
- d. An acknowledgement from FIU, via return email, will be sent which confirms the receipt of the CTTR;
- e. After you receive the acknowledgement email from the FIU, then in a separate email you are requested to email the password and attach the key file (*encryption file*) to thresholdreporting@fiu.sc This is a one-time exercise. You

are advised to save the password securely and apply the same password every time when reporting to the FIU; and

f. This is the end of the process.

8.3. The steps from a) to e) are only for the first-time reporting. From subsequent reporting, only steps a), b) and c) will need to be performed.

9. Part 5: Time Period and Frequency of CTTR Submission by REs

9.1. Annexure 1.0 provides for submission period and frequency of reporting of CTTR by REs to the FIU. REs should ensure that accurate information is timeously reported to the FIU considering the provisions of section 5 of the AML/CFT Act and the FIU's reporting requirements provided herein.

10. Part 6: Penalties for Not Submitting a CTTR

10.1. Note that a RE which fails to report a cash transaction under section 5 (1) of the AML/CFT Act or materially misrepresents the amount of such transaction, commits an offence and is liable to a fine not exceeding SCR 200,000 for each such failure pursuant to section 5 (3) of the AML/ CFT Act.

11. Part 7: Procedures to Apply for Exemptions from CTTR Obligations

11.1. A RE may apply for a CTTR exemption on behalf of their client by duly completing and submitting to the FIU a completed application using the "Threshold Reporting Exemption Form" on the following e-mail address: thresholdreporting@fiu.sc

11.2. The application for exemption should be submitted using the prescribed form available on the FIU website - www.seychellesfiu.sc and should include the full details of the RE; full details of the client; and a detailed justification for the exemption. Batch submission of exemptions will be accepted, accompanied by a signed cover

letter.

11.3. The FIU will notify the RE if the application has been approved, disapproved, or if more information is required.

Annexure 1.0: CTTR Reporting Requirements

No.	Sector	Threshold	Reporting frequency	Submission period.
1.	Banks	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one business day.	Weekly	By close of business Monday of the following week
		SCR 5000 cash or more on all forex trading in respect of persons who are not the bank's customers.		
2.	Other financial institutions (e.g. HFC, DBS, SCU)	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one business day.	Weekly	By close of business Monday of the following week
3.	BDC	SCR 5,000 cash or more on all cash transactions.	Weekly	By close of business Wednesday of the following week
4.	ICSPs	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
5.	Insurance	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
6.	Licensees under the Mutual and Hedge Fund Act	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month

7.	Licensees under the Securities Act	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
8.	Gambling	SCR 20,000 or more transaction(s) on behalf of a client in one transaction or in a series of transactions in one day.	Twice Monthly	Three working days after the end of the two-week period.
9.	Accountants, auditors, lawyers	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
10.	Real Estate Agents	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of related transactions.	Monthly	Three working days after the end of the month
11.	High Value Dealers & Motor Vehicle Dealers	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
12.	Dealers in Precious Stones	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month
13.	Dealers in Precious Metals	SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day.	Monthly	Three working days after the end of the month

**In cases that the submission period falls on a public holiday then the submission should be made on the next working day.*

Annexure 2.0: Extract of the Third Schedule of the AML/ CFT Act

THIRD SCHEDULE (SECTION 5)

REPORTING THRESHOLD FOR CASH TRANSACTIONS

Every reporting entity shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more or the equivalent money in the currency of other countries.

REPORTING THRESHOLD APPLICABLE TO GAMBLING SECTOR

All licensees within the gambling sector shall report all transactions of its customers involving SCR 20,000 or more.

REPORTING THRESHOLD APPLICABLE TO BUREAU DE CHANGE

Every Bureau de Change including banks acting as Bureau de Change for forex trading in respect of persons who are not their customers shall report all transactions of its customers involving SCR 5,000 or more or the equivalent money in the currency of other countries.