

**SAINT VINCENT AND THE GRENADINES
ANTI-MONEY LAUNDERING AND TERRORIST FINANCING
REGULATIONS, 2014**

ARRANGEMENT OF REGULATIONS

REGULATION

PART 1

PRELIMINARY, SCOPE AND INTERPRETATION

1. Citation
2. Scope of Regulations
3. Interpretation
4. Meaning of “beneficial owner”
5. Meaning of “occasional transaction”
6. Meaning of “customer due diligence measures”
7. Meaning of “ongoing monitoring”
8. Meaning of “politically exposed person” and associated expressions
9. Meaning of “correspondent banking relationship”

PART 2

CUSTOMER DUE DILIGENCE

Customer due diligence and ongoing monitoring

10. Overriding obligation
11. Customer due diligence measures and ongoing monitoring
12. Requirement to cease transaction or terminate relationship
13. Risk-based approach and customer risk assessment
14. Enhanced customer due diligence and ongoing monitoring
15. Non face-to-face business

16. Simplified due diligence

Introducers and intermediaries

17. Reliance on introducers and intermediaries
18. Conditions for reliance on introducer or intermediary

Anonymous accounts

19. Anonymous accounts prohibited

PART 3

**POLICIES, PROCEDURES, SYSTEMS AND CONTROLS, RECORD
KEEPING AND TRAINING**

20. Policies, procedures, systems and controls
21. Record keeping requirements
22. Records required to be kept
23. Manner in which records to be kept
24. Training

PART 4

COMPLIANCE AND REPORTING OBLIGATIONS

25. AML/CFT reporting officer
26. Service provider to appoint AML/CFT compliance officer
27. Provisions applicable to AML/CFT reporting officer and compliance officer

PART 5

CORRESPONDENT BANKING AND WIRE TRANSFERS

Correspondent banking

28. Restrictions on correspondent banking
29. Payable through accounts
30. Other similar relationships

Wire transfers

- 31. Definitions for, and scope of, regulations 32 to 35
- 32. Exemptions
- 33. Payment service provider of payer
- 34. Payment service provider of payee
- 35. Intermediary payment service provider

PART 6

MISCELLANEOUS PROVISIONS

- 36. Designated supervisory authorities
- 37. Customer information
- 38. Prescribed amounts
- 39. Financial services
- 40. Repeals

SAINT VINCENT AND THE GRENADINES

STATUTORY RULES AND ORDERS

2014 NO. 20

(Gazetted 7th August, 2014)

IN EXERCISE of the powers conferred by section 168 of the Proceeds of Crime Act 2013 (No. 38 of 2013), the Minister, after consultation with the Committee and the Cabinet, makes the following Regulations –

**ANTI-MONEY LAUNDERING AND TERRORIST FINANCING
REGULATIONS, 2014**

PART 1

PRELIMINARY, SCOPE AND INTERPRETATION

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|---|------------------------------------|
| <p>1. These Regulations may be cited as the Anti-Money Laundering and Terrorist Financing Regulations, 2014.</p> | <p>Citation</p> |
| <p>2. (1) These Regulations apply to all service providers and, to the extent specified, to boards and directors of service providers.</p> <p>(2) Subject to subregulations (3), (4) and (5), a specified financial business that has a branch located in a foreign country or has a subsidiary incorporated in a foreign country shall, to the extent that the laws of the foreign country permit:</p> <p style="margin-left: 40px;">(a) comply with these Regulations and the Code in respect of any business carried on through the branch; and</p> <p style="margin-left: 40px;">(b) ensure that these Regulations and the Code are complied with by the subsidiary with respect to any business that it carries on.</p> <p>(3) A specified financial business shall have particular regard to ensure that subregulation (2) is complied with where the foreign country</p> | <p>Scope of Regulations</p> |

in which its branch or subsidiary is situated does not apply, or insufficiently applies, the FATF Recommendations.

(4) If the foreign country in which a branch or subsidiary of a specified financial business is situated has more stringent standards with respect to the prevention of money laundering and terrorist financing than are provided for in these Regulations and the Code, the specified financial business shall ensure that the more stringent requirements are complied with by its branch or subsidiary.

(5) Where the laws of a foreign country do not permit a branch or subsidiary of a specified financial business to comply with subregulation (2), the specified financial business shall —

- (a) notify the supervisory authority in writing; and
- (b) to the extent that the laws of the foreign country permit, apply alternative measures to ensure compliance with the FATF Recommendations and to deal effectively with the risk of money laundering and terrorist financing.

Interpretation

No. 38 of 2013

3. (1) In these Regulations —

“Act” means the Proceeds of Crime Act, 2013;

“AML/CFT compliance officer” means the person appointed by a service provider as its AML/CFT compliance officer under regulation 26;

“AML/CFT reporting officer” means the person appointed by a service provider as its AML/CFT reporting officer under regulation 27;

“beneficial owner” has the meaning specified in regulation 4;

“branch” includes a representative or contact office;

“business relationship” means a business, professional or commercial relationship between a service provider and a customer which is expected by the service provider, at the time when contact is established, to have an element of duration;

“Code” means a Code issued under section 169 of the Act;

“correspondent banking relationship” has the meaning specified in regulation 9;

“customer due diligence information” means:

- (a) identification information; and
- (b) relationship information;

“customer due diligence measures” has the meaning specified in regulation 6;

“director”, in relation to a legal person, means a person appointed to direct the affairs of the legal person and includes —

- (a) a person who is a member of the governing body of the legal person; and
- (b) a person who, in relation to the legal person, occupies the position of director, by whatever name called;

“dollars” means Eastern Caribbean Dollars or its foreign currency equivalent”

“domestic politically exposed person” has the meaning specified in regulation 8(3);

“externally regulated service provider” has the meaning specified in Schedule 2;

“FATF” means the international body known as the Financial Action Task Force or such other international body as may succeed it;

“FATF Recommendations” means the FATF Recommendations, Interpretive Notes and Glossary issued by the FATF in February 2012, incorporating such amendments as may from time-to-time be made to the Recommendations, or such document or documents issued by the FATF as may supersede those Recommendations;

“financial business” means a service provider that falls within paragraph 1(a), (b), (c) or (d) or paragraph 2 of Schedule 1;

“foreign politically exposed person” has the meaning specified in regulation 8(2);

“foreign regulated person” means a person that —

- (a) is incorporated in, or if it is not a company, has its principal place of business in, a country outside the State (its “home country”);
- (b) carries on a business outside the State that, if carried on in the State, would be a regulated business or would result in the person falling within the definition of “independent legal professional”; and
- (c) in respect of the business referred to in paragraph (b) —
 - (i) is subject to legal requirements in its home country for the prevention of money laundering and terrorist financing that are consistent with the requirements of the FATF Recommendations for that business; and
 - (ii) is subject to effective supervision for compliance with those legal requirements by a foreign regulatory authority;

“foreign regulatory authority” means an authority in a country outside the State which exercises, in that country, supervisory functions substantially corresponding to those of a supervisory authority with respect to enforcing compliance with the Act, these Regulations and the Code;

“foundation” means a foundation, wherever established;

“high value dealer” means a person who, by way of business, trades in goods, including precious metals and precious stones, and receives, in respect of any transaction, a payment or payments in cash of at least \$10,000, or the equivalent in a currency other than Eastern Caribbean dollars, whether the transaction is executed in a single operation or in several linked operations;

“identification information” is information used to identify a person required by these Regulations to be identified, as specified in the Code;

“independent legal professional” means a firm or sole practitioner who, by way of business, provides legal or notarial services to other persons, when preparing for

or carrying out transactions for a customer in relation to —

- (a) the buying and selling of real estate and business entities;
- (b) the managing of client money, securities or other assets;
- (c) the opening or management of bank, savings or securities accounts;
- (d) the organisation of contributions necessary for the creation, operation or management of companies; or
- (e) the creation, operation or management of trusts, foundations, companies or similar structures, excluding any activity that requires a licence under the Registered Agent and Trustee Licensing Act;

Cap. 105

“intermediary” means a person who has or seeks to establish a business relationship or to carry out an occasional transaction on behalf of his or her customer with a service provider, so that the intermediary becomes a customer of the service provider;

“introducer” means a person who has a business relationship with a customer and who introduces that customer to a service provider with the intention that the customer will form a business relationship or conduct an occasional transaction with the service provider so that the introducer’s customer also becomes a customer of the service provider;

“legal arrangement” includes an express trust;

“legal person” includes a company, a partnership, whether limited or general, an association or any unincorporated body of persons, but does not include a trust;

“limited partnership” means a limited partnership, or a limited liability partnership, wherever established;

“minimum retention period” has the meaning specified in subregulation (5) or as otherwise specified in the Code;

“money laundering disclosure” means a disclosure under section 126 or 127 of the Act;

“money laundering reporting officer” means the AML/CFT reporting officer

“occasional transaction” has the meaning specified in regulation 5;

“ongoing monitoring” has the meaning specified in regulation 7;

“politically exposed person” has the meaning specified in regulation 8(1);

“public authority”, in relation to the State, includes the Government of the State, any government ministry or department and any government agency;

“recognised exchange” means, subject to sub regulation (2), an exchange that is a member of the World Federation of Exchanges or such other exchange as may be specified as a recognised exchange by the Committee by notice published in the *Gazette*;

Schedule 3

“regulatory licence” means a licence specified in Schedule 3;

“relationship information” means information concerning the business relationship, or proposed business relationship, between a service provider and its customer;

“relevant business” means a business which, if carried on by a person, would result in that person being a service provider;

Schedule 1

“service provider” has the meaning specified in Schedule 1;

“shell bank” means a bank that —

- (a) is incorporated and licensed in a country in which it has no physical presence involving meaningful decision-making and management; and
- (b) is not an affiliate of a corporate body that —
 - (i) has a physical presence in a country that involves meaningful decision-making and management;

- (ii) is authorised to carry on banking business in that country; and
- (iii) is subject to effective consolidated supervision in relation to its banking business, which extends to its affiliates.

“sole trader” means an individual carrying on a relevant business who does not in the course of doing so —

- (a) employ any other person; or
- (b) act in association with any other person;

“specified financial business” means a financial business that is —

- (a) a company incorporated in the State;
- (b) a partnership based in the State;
- (c) an individual resident in the State; or
- (d) any other person having its principal or head office in the State;

“SVG bank” means a person that carries on —

- (a) banking business within the meaning of the Banking Act; or
- (b) international banking business within the meaning of the International Banks Act, whether or not that business is carried on in, or from within, the State;

Cap. 87

Cap. 99

“terrorism” has the meaning specified in the Anti-Terrorist Financing and Proliferation Act, 2014;

“terrorist financing” has the meaning specified in the Anti-Terrorist Financing and Proliferation Act, 2014;

“terrorist financing disclosure” means a disclosure required or authorised under the under Anti-Terrorist Financing and Proliferation Act, 2014;

“third party” means a person for whom a customer is acting.

- (2) An exchange is not a recognised exchange if —

- (a) it is situated in a country specified by the Committee by notice published in the *Gazette*, as a country that does not implement, or does not effectively apply, the FATF Recommendations; or
- (b) being a member of the World Federation of Exchanges, the Committee publishes a notice in the *Gazette* specifying that it is not a recognised exchange.

(3) For the purposes of the definition of “foreign regulated person”, the Committee may, by notice published in the *Gazette*, specify countries that may be regarded as having legal requirements for the prevention of money laundering and terrorist financing that are consistent with the requirements of the FATF Recommendations.

(4) In these Regulations, unless the context otherwise requires, “customer” includes a prospective customer.

(5) Subject to subregulation (6), the minimum period for the retention of records for the purposes of these Regulations is 7 years beginning on —

- (a) in the case of documents constituting evidence of identity obtained pursuant to the application of customer due diligence measures or ongoing monitoring, or information that enables a copy of such evidence to be obtained, the date on which —
 - (i) the occasional transaction is completed, or
 - (ii) the business relationship ends; or
- (b) in the case of the records specified in regulation 22 —
 - (i) where the records relate to a particular transaction, the date on which the transaction is completed; or
 - (ii) for all other records, the date on which the business relationship ends.

(6) The service provider’s supervisory authority or the Financial Intelligence Unit may, by written notice, specify a period longer than 7 years for the purposes of subregulation (5), and such longer period as is specified in the notice shall be considered to be the minimum retention period instead of the period of 7 years.

4. (1) Subject to subregulation (3), each of the following is a beneficial owner of a legal person, a partnership or a legal arrangement —

Meaning of
“beneficial
owner”

- (a) an individual who is an ultimate beneficial owner of the legal person, partnership or legal arrangement, whether or not the individual is the only beneficial owner; and
- (b) an individual who exercises ultimate control over the management of the legal person, partnership or legal arrangement, whether alone or jointly with any other person or persons.

(2) For the purposes of subregulation (1), it is immaterial whether an individual's ultimate ownership or control of a legal person, partnership or arrangement is direct or indirect.

(3) An individual is deemed not to be the beneficial owner of a company, the securities of which are listed on a recognised exchange.

5. (1) A transaction is an occasional transaction if the transaction is carried out otherwise than as part of a business relationship, and is carried out as —

Meaning of
“occasional
transaction”

- (a) a single transaction that amounts to the sum specified in subregulation (2), or more; or
- (b) two or more linked transactions that, in total amount to the sum specified in subregulation (2), or more, where —
 - (i) it appears at the outset to any person handling any of the transactions that the transactions are linked; or
 - (ii) at any later stage it comes to the attention of any person handling any of those transactions that the transactions are linked.

(2) The amount specified for the purposes of subregulation (1) is —

- (a) in the case of a transaction, or linked transactions, carried out in the course of a money services business, \$2,500; or
- (b) in the case of any other transaction, or linked transactions, \$10,000.

**Meaning of
“customer due
diligence
measures”**

6. (1) “Customer due diligence measures” are measures for —
 - (a) identifying a customer;
 - (b) determining whether the customer is acting for a third party and, if so, identifying the third party;
 - (c) verifying the identity of the customer and any third party for whom the customer is acting;
 - (d) identifying each beneficial owner of the customer and third party, where either the customer or third party, or both, are not individuals;
 - (e) taking reasonable measures, on a risk-sensitive basis, to verify the identity of each beneficial owner of the customer and third party so that the service provider is satisfied that it knows who each beneficial owner is including, in the case of a legal person, partnership, foundation, trust or similar arrangement, taking reasonable measures to understand the ownership and control structure of the legal person, partnership, foundation, trust or similar arrangement; and
 - (f) obtaining information on the purpose and intended nature of the business relationship or occasional transaction.
- (2) Customer due diligence measures include —
 - (a) where the customer is not an individual, measures for verifying that any person purporting to act on behalf of the customer is authorised to do so, identifying that person and verifying the identity of that person; and
 - (b) where the service provider carries on insurance business, measures for identifying each beneficiary under any long term or investment linked policy issued or to be issued by the service provider and verifying the identity of each beneficiary.
- (3) Where a service provider is required by these Regulations to verify the identity of a person, it shall verify that person’s identity using documents, data or information obtained from a reliable and independent source.
- (4) Where customer due diligence measures are required by this regulation to include measures for identifying and verifying the

identity of the beneficial owners of a person, those measures are not required to provide for the identification and verification of any individual who holds shares in a company that is listed on a recognised exchange.

7. “Ongoing monitoring” of a business relationship means —

Meaning of
“ongoing
monitoring”

- (a) scrutinising transactions undertaken throughout the course of the relationship, including where necessary the source of funds, to ensure that the transactions are consistent with the service provider’s knowledge of the customer and the customer’s business and risk profile; and
- (b) keeping the documents, data or information obtained for the purpose of applying customer due diligence measures up-to-date and relevant by undertaking reviews of existing records.

8. (1) “Politically exposed person” means —

Meaning of
“politically
exposed
person” and
associated
expressions

- (a) a foreign politically exposed person;
- (b) a domestic politically exposed person; or
- (c) a person who is, or has been, entrusted with a prominent function by an international organisation.

(2) “Foreign politically exposed person” means a person who is, or has been, entrusted with a prominent public function by a country other than the State.

(3) “Domestic politically exposed person” means a person who is, or has been, entrusted with a prominent public function by the State.

(4) “International organisation” means an entity or other organisation —

- (a) established by formal political agreement between its member countries that has the status of an international treaty;
- (b) whose existence is recognised by law in its member countries; and
- (c) that is not treated as a resident institutional unit of the country in which it is located.

(5) Without limiting subregulations (2) or (3), the following have or exercise prominent public functions in relation to a country —

- (a) heads of state, heads of government and senior politicians;
- (b) senior government, judicial or military officials;
- (d) members the boards of central banks;
- (e) ambassadors and chargés d'affaires;
- (f) senior executives of state-owned corporations; and
- (g) important political party officials.

(6) For the purposes of subregulation (1)(c), the following have or exercise prominent functions in relation to an international organisation —

- (a) the directors and deputy directors of the international organisation;
- (b) the members of the board or governing body of the international organisation; and
- (c) other members of the senior management of the international organisation.

(7) The following are immediate family members of a politically exposed person —

- (a) a spouse;
- (b) a partner;
- (c) children and their spouses or partners;
- (d) parents;
- (e) grandparents and grandchildren; and
- (f) siblings.

(8) For the purposes of subregulation (7)(b) and (c), “partner” means —

- (a) a person who lives in a domestic relationship which is similar to the relationship between husband and wife;
or
- (b) a person in a relationship with another person who is considered by the law of any jurisdiction which applies to the relationship as equivalent to a spouse.

(9) The following are close associates of a politically exposed person —

- (a) any person known to maintain a close business relationship with that person or to be in a position to conduct substantial financial transactions on behalf of the person;
- (b) any person who is known to have joint beneficial ownership of a legal person or legal arrangement, or any other close business relations, with that person; and
- (c) any person who has sole beneficial ownership of a legal person or legal arrangement which is known to have been set up for the benefit of that person.

(10) For the purposes of deciding whether a person is a close associate of a politically exposed person, a service provider need only have regard to information which is in that person's possession or is publicly known.

9. (1) "Correspondent banking relationship" means a relationship that involves the provision of banking services by one bank, (the "correspondent bank") to another bank (the "respondent bank").

Meaning of
"correspondent
b a n k i n g
relationship"

(2) Without limiting subregulation (1), "banking services" includes —

- (a) cash management, including establishing interest-bearing accounts in different currencies;
- (b) international wire transfers of funds;
- (c) cheque clearing;
- (d) payable-through accounts; and
- (e) foreign exchange services.

PART 2

CUSTOMER DUE DILIGENCE

Customer due diligence and ongoing monitoring

10. Without limiting the specific requirements of this Part, a service provider shall —

O v e r r i d i n g
obligation

- (a) obtain customer due diligence information on every customer, third party and beneficial owner; and
- (b) verify the identity of the customer and any third party and take reasonable measures, on a risk-sensitive basis, to verify the identity of each beneficial owner in accordance with these Regulations and the Code.

**Customer due
diligence
measures and
ongoing
monitoring**

11. (1) Subject to subregulations (3) and (4), a service provider shall apply customer due diligence measures —

- (a) before the service provider establishes a business relationship or carries out an occasional transaction;
- (b) where the service provider —
 - (i) suspects money laundering or terrorist financing; or
 - (ii) doubts the veracity or adequacy of documents, data or information previously obtained under its customer due diligence measures or when conducting ongoing monitoring; and
- (c) to existing customers —
 - (i) at other appropriate times, as determined on a risk-sensitive basis; and
 - (ii) without limiting subparagraph (i), at least once in each five year period.

(2) Without limiting subregulation (1)(b)(ii) and subregulation (1)(c), a service provider shall obtain customer due diligence information:

- (a) when there is a change in the identification information of a customer;
- (b) when there is a change in the beneficial ownership of a customer; or
- (c) when there is a change in the third parties, or the beneficial ownership of third parties.

(3) A service provider may complete the verification of the identity of a customer, third party or beneficial owner after the establishment of a business relationship if —

- (a) it is necessary not to interrupt the normal conduct of business;

- (b) there is little risk of money laundering or terrorist financing occurring as a result; and
- (c) verification of identity is completed as soon as reasonably practicable after contact with the customer is first established.

(4) The verification of the identity of a bank account holder may take place after the bank account has been opened provided that there are adequate safeguards in place to ensure that, before verification has been completed —

- (a) the account is not closed; and
- (b) transactions are not carried out by or on behalf of the account holder, including any payment from the account to the account holder.

(5) A service provider shall conduct ongoing monitoring of a business relationship.

(6) A service provider who contravenes subregulation (1), (2) or (5) is guilty of an offence and liable on summary conviction to a fine of \$100,000.

12. (1) If a service provider is unable to apply customer due diligence measures before the establishment of a business relationship or before the carrying out of an occasional transaction in accordance with these Regulations and the Code, the service provider shall not establish the business relationship or carry out the occasional transaction.

**Requirement to
c e a s e
transaction or
t e r m i n a t e
relationship**

(2) If subregulation 11(3) or 11(4) apply and a service provider is unable to complete the verification of the identity of a customer, third party or beneficial owner after the establishment of a business relationship, the service provider shall terminate the business relationship with the customer.

(3) If a service provider is unable to undertake ongoing monitoring with respect to a business relationship, the service provider shall terminate the business relationship.

(4) If subregulation (1), (2) or (3) applies with respect to a service provider, the service provider shall consider whether he is required to make a money laundering disclosure or a terrorist financing disclosure.

(5) Subregulations (1), (2) and (3) do not apply where the service provider is a lawyer and is in the course of ascertaining the legal position for that person's client or performing the task of defending or representing the client in, or concerning, legal proceedings, including advice on the institution or avoidance of proceedings.

(6) If the service provider has made a money laundering or terrorist financing disclosure, subregulations (1), (2) or (3) do not apply to the extent that the service provider is acting —

- (a) in the case of a money laundering disclosure, with the consent of the Financial Intelligence Unit, or its deemed consent, as specified in section 122(6) of the Act; or
- (b) in the case of a terrorist financing disclosure, with the consent of the Financial Intelligence Unit.

(7) A service provider who contravenes subregulations (1), (2), (3) or (4) is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

**R i s k - b a s e d
a p p r o a c h a n d
c u s t o m e r r i s k
a s s e s s m e n t**

13. (1) A service provider shall apply a risk-sensitive approach to determining the extent and nature of —

- (a) the customer due diligence measures to be applied to a customer and to any third party or beneficial owner; and
- (b) its ongoing monitoring of a business relationship.

(2) Without limiting subregulation (1), in applying customer due diligence measures and conducting ongoing monitoring, a service provider shall —

- (a) assess the risk that any business relationship or occasional transaction involves, or will involve, money laundering or terrorist financing, depending upon the type of customer, business relationship, product or transaction and consider, on a risk-sensitive basis, whether further identification or relationship information is required;
- (b) on the basis of the customer due diligence information obtained and the information obtained under paragraph (a), prepare and record a risk assessment with respect to the customer;
- (c) periodically update the customer due diligence information that it holds and adjust the risk assessment that it has made accordingly.

(3) In preparing a risk assessment with respect to a customer, a service provider shall take account of all relevant risks and shall consider, in particular, the relevance of the following risks —

- (a) customer risk;
- (b) product risk;
- (c) delivery risk; and
- (d) country risk.

(4) For the purposes of this regulation, “beneficial owner”, with respect to a customer, means a beneficial owner of the customer or of a third party.

(5) A service provider must be able to demonstrate —

- (a) that the extent of the customer due diligence measures applied in any case is appropriate having regard to the circumstances of the case, including the risks of money laundering and terrorist financing; and
- (b) that it has obtained appropriate information to carry out the risk assessment required under paragraph (a).

14. (1) For the purposes of these Regulations, “enhanced customer due diligence measures” and “enhanced ongoing monitoring” mean customer due diligence measures, or ongoing monitoring, that involve specific and adequate measures to compensate for the higher risk of money laundering or terrorist financing.

**E n h a n c e d
c u s t o m e r d u e
d i l i g e n c e a n d
o n g o i n g
m o n i t o r i n g**

(2) A service provider shall, on a risk-sensitive basis, apply enhanced due diligence measures and undertake enhanced ongoing monitoring —

- (a) where the customer has not been physically present for identification purposes;
- (b) where the service provider has, or proposes to have, a business relationship with, or proposes to carry out an occasional transaction with, a person connected with a country that does not apply, or insufficiently applies, the FATF Recommendations;
- (c) where the service provider is a SVG bank that has or proposes to have a banking or similar relationship with an institution whose address for that purpose is outside the State;
- (d) where the service provider has or proposes to have a business relationship with, or to carry out an occasional

transaction with, a foreign politically exposed person or a family member or close associate of a foreign politically exposed person;

- (e) where any of the following is a foreign politically exposed person or a family member or close associate of a foreign politically exposed person:
 - (i) a beneficial owner of the customer;
 - (ii) a third party for whom a customer is acting;
 - (iii) a beneficial owner of a third party for whom a customer is acting ;
 - (iv) a person acting, or purporting to act, on behalf of the customer;
- (f) where a customer, transaction or business relationship involves —
 - (i) private banking, legal persons or arrangements, including trusts, that are personal asset holding vehicles; or
 - (ii) companies that have nominee shareholders or shares in bearer form; and
- (g) in any other situation which by its nature can present a higher risk of money laundering or terrorist financing.

(3) A service provider who contravenes subregulation (2) is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

Non face-to-face business

15. Where a service provider applies customer due diligence measures to, or carries out ongoing monitoring with respect to, an individual who is not physically present, the service provider, in addition to complying with regulation 14, shall —

- (a) perform at least one additional check designed to mitigate the risk of identity fraud; and
- (b) apply such additional enhanced customer due diligence measures or undertake enhanced ongoing monitoring, as the service provider considers appropriate (if any).

16. (1) A service provider is not required to apply customer due diligence measures before establishing a business relationship or carrying out an occasional transaction where —

Simplified due diligence

- (a) he has reasonable grounds for believing that the customer is —
 - (i) a service provider;
 - (ii) a foreign regulated person;
 - (iii) a public authority in the State; or
 - (iv) a company, the securities of which are listed on a recognised exchange.
- (b) in the case of life insurance business, the product is a life insurance contract where the annual premium is no more than \$2,000 or where a single premium of no more than \$5,000 is paid.

(2) Subregulation (1)(a) does not apply with respect to any third party for whom the customer may be acting or with respect to the beneficial owners of such a third party.

(3) Subregulation (1) does not apply if —

- (a) the service provider suspects money laundering or terrorist financing;
- (b) the customer is located, or resides, in a country that does not apply, or insufficiently applies, the FATF Recommendations; or
- (c) a higher risk of money laundering or terrorist financing has been identified.

(4) Where a service provider does not apply customer due diligence measures before establishing a business relationship or carrying out an occasional transaction in reliance on this regulation, the service provider shall obtain and retain documentation establishing that this regulation applies.

Introducers and intermediaries

17. (1) Subject to regulation 18 and subregulations (2) to (4), a service provider may rely on an introducer or an intermediary to apply customer due diligence measures with respect to a customer, third party or beneficial owner, if —

**Reliance on
introducers
and
intermediaries**

- (a) the introducer or intermediary is a regulated person or a foreign regulated person; and
- (b) the introducer or intermediary consents to being relied on.

(2) Before relying on an introducer or intermediary to apply customer due diligence measures with respect to a customer, third party or beneficial owner, a service provider shall obtain adequate assurance in writing from the intermediary or introducer that the intermediary or introducer —

- (a) has applied the customer due diligence measures for which the service provider intends to rely on it;
- (b) is required to keep, and does keep, a record of the evidence of identification relating to each of the customers of the intermediary or introducer;
- (c) will, without delay, provide the information in that record to the service provider at the service provider's request; and
- (d) will, without delay, provide the information in the record for provision to the supervisory authority.

(3) Where a service provider relies on an introducer or an intermediary to apply customer due diligence measures in respect of a customer, third party or beneficial owner, the service provider shall immediately obtain from the introducer or intermediary, the customer due diligence information concerning the customer, third party or beneficial owner.

(4) Where a service provider relies on an introducer or intermediary to apply customer due diligence measures, the service provider remains liable for any failure to apply those measures.

(5) This regulation does not prevent a service provider from applying customer due diligence measures by means of an outsourcing service provider or agent provided that the service provider remains liable for any failure to apply such measures.

**Conditions for
reliance on
introducer or
intermediary**

18. (1) Before relying on an intermediary or an introducer to apply customer due diligence measures with respect to a customer in accordance with regulation 17, a service provider shall —

- (a) satisfy itself that the intermediary or introducer is a regulated person or a foreign regulated person and has

procedures in place to undertake customer due diligence measures in accordance with, or equivalent to, these Regulations and the Code;

- (b) assess the risk of relying on the intermediary or introducer with a view to determining —
 - (i) whether it is appropriate to rely on the intermediary or introducer; and
 - (ii) if it considers it is so appropriate, whether it should take any additional measures to manage that risk;
 - (c) where the service provider intends to rely on an introducer, obtain in writing from the introducer —
 - (i) confirmation that each introduced customer is an established customer of the introducer; and
 - (ii) sufficient information about each introduced customer to enable it to assess the risk of money laundering and terrorist financing involving that customer; and
 - (d) where the service provider intends to rely on an intermediary, obtain in writing sufficient information about the customer for whom the intermediary is acting to enable the service provider to assess the risk of money laundering and terrorist financing involving that customer.
- (2) A service provider shall —
- (a) make and retain records —
 - (i) detailing the risk assessment carried out under subregulation (1)(b) and any additional risk mitigation measures it considers appropriate; and
 - (b) retain in its records —
 - (i) the assurances obtained under regulation 17(2) and the confirmations that it has obtained under subregulation (1)(c), and
 - (ii) the information that it has sought and obtained under subregulation (1)(d).

*Anonymous accounts***A n o n y m o u s
a c c o u n t s
p r o h i b i t e d**

19. (1) A service provider shall not set up or maintain a numbered account, an anonymous account or an account in a name which it knows, or has reasonable grounds to suspect, is fictitious.

(2) A service provider who contravenes subregulation (1) is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

PART 3**POLICIES, PROCEDURES, SYSTEMS AND CONTROLS, RECORD
KEEPING AND TRAINING****P o l i c i e s ,
p r o c e d u r e s ,
s y s t e m s a n d
c o n t r o l s**

20. (1) Subject to subregulation (5), a service provider shall establish, maintain and implement appropriate risk-sensitive policies, procedures, systems and controls to prevent and detect money laundering and terrorist financing, including policies, systems and controls relating to —

- (a) customer due diligence measures and ongoing monitoring;
- (b) the reporting of disclosures;
- (c) record-keeping;
- (d) the screening of employees;
- (e) internal controls;
- (f) risk assessment and management; and
- (g) the monitoring and management of compliance with, and the internal communication of, its policies, systems and controls to prevent and detect money laundering and terrorist financing, including those specified in paragraphs (a) to (f).

(2) The policies, systems and controls referred to in subregulation (1) must include policies, systems and controls, which provide for —

- (a) the identification and scrutiny of —
 - (i) complex or unusually large transactions;
 - (ii) unusual patterns of transactions which have no apparent economic or visible lawful purpose; and

- (iii) any other activity which the service provider regards as particularly likely by its nature to be related to the risk of money laundering or terrorist financing;
- (b) the taking of additional measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions which are susceptible to anonymity; and
- (c) determining whether —
 - (i) a customer, any third party for whom the customer is acting and any beneficial owner of the customer or third party, is a politically exposed person or a family member or close associate of a politically exposed person;
 - (ii) a business relationship or transaction, or proposed business, relationship or transaction, is with a person connected with a country that does not apply, or insufficiently applies, the FATF Recommendations; or
 - (iii) a business relationship or transaction, or proposed business relationship or transaction, is with a person connected with a country that is subject to measures for purposes connected with the prevention and detection of money laundering or terrorist financing, imposed by one or more countries or sanctioned by the European Union or the United Nations.

(3) A service provider with any subsidiary or branch that carries on a relevant business shall communicate to that subsidiary or branch, whether in or outside the State, the service provider's policies and procedures maintained in accordance with this regulation.

(4) A service provider shall maintain adequate procedures for monitoring and testing the effectiveness of —

- (a) the policies and procedures maintained under this regulation; and
- (b) the training provided under regulation 24.

(5) A sole trader is not required to maintain policies and procedures relating to internal reporting, screening of employees and the internal communication of such policies and procedures.

(6) For the purposes of this regulation —

- (a) “scrutiny” includes scrutinising the background and purpose of transactions and activities;
- (b) “transaction” means any of the following —
 - (i) an occasional transaction;
 - (ii) a transaction within an occasional transaction; or
 - (iii) a transaction undertaken within a business relationship.

(7) A service provider who contravenes subregulation (1), (3) or (4) is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

**R e c o r d
k e e p i n g
r e q u i r e m e n t s**

21. (1) Subject to subregulation (2), a service provider shall keep the records specified in regulation 22 and such other records as may be specified in the Code —

- (a) in a form that enables them to be made available on a timely basis, when lawfully required, to the supervisory authority, the Financial Intelligence Unit or law enforcement authorities in the State; and
- (b) for at least the minimum retention period.

(2) A service provider who is relied on by another service provider in accordance with these Regulations shall keep the records specified in regulation 22(1)(a) for the minimum retention period.

(3) Where a service provider (the “first service provider”) is an introducer or intermediary and has given the assurance that is required under regulation 17(2) to another service provider (the “second service provider”), the first service provider shall make available to the second service provider, at the second service provider’s request, a copy of the evidence of identification that the first service provider is required to keep under this regulation, such evidence being the evidence that is referred to in regulation 17(2).

(4) Subregulation (3) does not apply where a service provider applies customer due diligence measures by means of an outsourcing service provider or agent.

(5) For the purposes of this regulation, a service provider relies on another service provider where he does so in accordance with regulation 17.

(6) A service provider who contravenes subregulation (1), (2) or (3) is guilty of an offence and is liable on summary conviction, to imprisonment for two years or to a fine of \$100,000 or to both.

22. (1) The records specified for the purposes of regulation 21 are—

**R e c o r d s
required to be
kept**

- (a) a copy of the evidence of identity obtained pursuant to the application of customer due diligence measures or ongoing monitoring, or information that enables a copy of such evidence to be obtained;
- (b) the supporting documents, data or information that have been obtained in respect of a business relationship or occasional transaction which is the subject of customer due diligence measures or ongoing monitoring;
- (c) a record containing details relating to each transaction carried out by the service provider in the course of any business relationship or occasional transaction;
- (d) all account files; and
- (e) all business correspondence relating to a business relationship or an occasional transaction.

(2) The record to which subregulation (1)(c) refers must include sufficient information to enable the reconstruction of individual transactions.

23. (1) A service provider shall ensure that its records are kept in such manner that —

**Manner in
which records
to be kept**

- (a) facilitates ongoing monitoring and their periodic updating;
- (b) ensures that they are readily accessible to the service provider in the State; and
- (c) enables the supervisory authority, internal and external auditors and other competent authorities to assess the effectiveness of systems and controls that are maintained by the service provider to prevent and detect money laundering and terrorist financing.

(2) Where records are kept other than in legible form, they must be kept in such manner that enables them to be readily produced in the State in legible form.

(3) A service provider shall ensure that the AML/CFT compliance officer and other appropriate employees have timely access to all customer identification information records, other customer due diligence information, transaction records and other relevant information and records necessary for them to perform their functions.

Training

24. (1) A service provider shall take appropriate measures for the purposes of making employees whose duties relate to the provision of relevant business aware of —

- (a) the anti-money laundering and counter-terrorist financing policies, procedures, systems and controls maintained by the service provider in accordance with these Regulations and the Code;
- (b) the law of the State relating to money laundering and terrorist financing offences; and
- (c) these Regulations, the Code and any Guidance issued by the Committee.

(2) A service provider shall provide employees specified in subregulation (1) with training in the recognition and handling of —

- (a) transactions carried out by or on behalf of any person who is or appears to be engaged in money laundering or terrorist financing; and
- (b) other conduct that indicates that a person is or appears to be engaged in money laundering or terrorist financing.

(3) For the purposes of subregulation (2), training shall include the provision of information on current money laundering and terrorist financing techniques, methods, trends and typologies.

(4) A service provider who contravenes subregulation (1), (2) or (3) is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

PART 4

COMPLIANCE AND REPORTING OBLIGATIONS

25. (1) Subject to subregulation (6), a service provider, other than a sole trader, shall appoint an individual approved by the supervisory authority as its AML/CFT reporting officer.

A M L / C F T
r e p o r t i n g
o f f i c e r

(2) The principal functions of the AML/CFT reporting officer of a service provider are to:

- (a) receive and consider internal money laundering and terrorist financing disclosures;
- (b) consider whether a suspicious activity report should be made to the Financial Intelligence Unit; and
- (c) where he or she considers a suspicious activity report should be made, submit the report to the Financial Intelligence Unit.

(3) When an individual has ceased to be the AML/CFT reporting officer of a service provider, the service provider shall as soon as reasonably practicable appoint another individual approved by the supervisory authority as its AML/CFT reporting officer.

(4) A service provider shall give the supervisory authority written notice within 7 days after the date —

- (a) of the appointment of an AML/CFT reporting officer; or
- (b) that an individual ceases, for whatever reason, to be its AML/CFT reporting officer.

(5) With the approval of the supervisory authority, the AML/CFT reporting officer of a service provider may also be appointed to be its AML/CFT compliance officer.

(6) A service provider who contravenes this regulation is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

26. (1) A service provider, other than a sole trader, shall appoint an individual approved by the supervisory authority as its AML/CFT compliance officer.

S e r v i c e
p r o v i d e r t o
a p p o i n t A M L /
C F T
c o m p l i a n c e
o f f i c e r

(2) A sole trader is the AML/CFT compliance officer in respect of his or her relevant business.

(3) The principal function of the AML/CFT compliance officer of a service provider is to oversee and monitor the service provider's compliance with the Act, all legislation for the time being in force concerning money laundering and terrorist financing, these Regulations and the Code.

(4) When an individual has ceased to be the AML/CFT compliance officer of a service provider, the service provider shall as soon as reasonably practicable appoint another individual approved by the supervisory authority as its AML/CFT compliance officer.

(6) A service provider shall give the supervisory authority written notice within 7 days after the date —

- (a) of the appointment of an individual as its AML/CFT compliance officer; or
- (b) that an individual ceases, for whatever reason, to be its AML/CFT compliance officer.

(7) A service provider who fails to appoint an AML/CFT compliance officer in accordance with this regulation is guilty of an offence and is liable on summary conviction, to a fine of \$100,000.

**Provisions
applicable to
A M L / C F T
r e p o r t i n g
o f f i c e r a n d
c o m p l i a n c e
o f f i c e r**

27. (1) The AML/CFT reporting officer and the AML/CFT compliance officer shall —

- (a) be an employee of the service provider or of a company in the same group as the service provider and shall be based in the State;
- (b) have the appropriate skills and experience and otherwise be fit and proper to act as the service provider's AML/CFT reporting officer and AML/CFT compliance officer;
- (c) possess sufficient independence to perform his or her role objectively;
- (d) have sufficient seniority in the organisational structure of the service provider to undertake his or her responsibilities effectively and, in particular, to ensure that his or her requests, where appropriate, are acted upon by the service provider and its staff and his or her recommendations properly considered by the board;
- (e) report regularly, and directly, to the board and have regular contact with the board;

- (f) have sufficient resources, including time, to perform the functions of AML/CFT compliance officer and AML/CFT reporting officer effectively;
- (g) have unfettered access to all business lines, support departments and information necessary to perform the functions of AML/CFT reporting officer and AML/CFT compliance officer effectively; and
- (h) have timely access to all records that are necessary or expedient for the purpose of performing his or her functions as AML/CFT reporting officer or AML/CFT compliance officer.

(2) A service provider may apply to the supervisory authority for an exemption from subregulation (1) (a).

(3) The Code may modify the requirements of this regulation in relation to particular types or category of service provider.

PART 5

CORRESPONDENT BANKING AND WIRE TRANSFERS

Correspondent banking

28. (1) A SVG bank that is, or that proposes to be, a correspondent bank shall —

**Restrictions on
correspondent
banking**

- (a) not enter into or maintain relationships with any respondent bank that is a shell bank;
- (b) not maintain relationships with any respondent bank that itself provides correspondent banking services to shell banks;
- (c) shall take appropriate measures to ensure that it does not enter into, or continue, a correspondent banking relationship with a bank that is known to permit its accounts to be used by a shell bank;
- (d) apply customer due diligence measures on respondent banks using a risk-based approach that takes into account, in particular the respondent bank's —
 - (i) domicile;
 - (ii) ownership and management structure; and

- (iii) customer base, including its geographic location, its business, including the nature of services provided by the respondent bank to its customers, whether or not relationships are conducted by the respondent on a non face-to-face basis and the extent to which the respondent bank relies on third parties to identify and hold evidence of identity on, or to conduct other due diligence on, its customers;
- (e) determine from publicly available sources the reputation of the respondent bank and the quality of its supervision;
- (f) assess the respondent bank's anti-money laundering and terrorist financing systems and controls to ensure that they are consistent with the requirements of the FATF Recommendations;
- (g) not enter into a new correspondent banking relationship unless it has the prior approval of senior management;
- (h) ensure that the respective anti-money laundering and counter terrorist financing responsibilities of each party to the correspondent relationship are understood and properly documented;
- (i) ensure that the correspondent relationship and its transactions are subject to annual review by senior management;
- (j) be able to demonstrate that the information obtained in compliance with the requirements set out in this regulation is held for all existing and new correspondent relationships; and
- (k) not enter into a correspondent banking relationship where it has knowledge or suspicion that the respondent or any of its customers is engaged in money laundering or the financing of terrorism.

P a y a b l e
t h r o u g h
a c c o u n t s

29. (1) Where a correspondent bank provides customers of a respondent bank with direct access to its services, whether by way of payable through accounts or by other means, it shall ensure that it is satisfied that the respondent bank —

- (a) has undertaken appropriate customer due diligence and, where applicable, enhanced customer due diligence in respect of the customers that have direct access to the correspondent bank's services; and
 - (b) is able to provide relevant customer due diligence information and verification evidence to the correspondent bank upon request.
30. Regulations 28 and 29 also apply to a financial business that —
- (a) undertakes securities transactions or funds transfers on a cross-border basis; or
 - (b) provides finance to facilitate international trade.

Other similar relationships

Wire transfers

31. (1) For the purposes of regulations 32 to 35 —

Definitions for, and scope of, regulations 32 to 35

“batch file transfer” means several individual transfers of funds which are bundled together for transmission to the same payment service providers, where or not they are intended for different payees;

“full originator information”, with respect to a payee, means the name and account number of the payer, together with —

- (a) the payer's address; and
- (b) either of the following
 - (i) the payer's date and place of birth,
 - (ii) the customer identification number or national identity number of the payer or, where the payer does not have an account, a unique identifier that allows the transaction to be traced back to that payer;

“intermediate payment service provider” means a payment service provider, neither of the payer nor the payee, that participates in the execution of transfer of funds;

“payee” means a person who is the intended final recipient of transferred funds;

“payer” means a person who holds an account and allows a transfer of funds from that account or, where there is

no account, a person who places an order for the transfer of funds;

“payment service provider” means a person whose business includes the provision of transfer of funds services;

“transfer of funds” means a transaction carried out on behalf of a payer through a payment service provider by electronic means with a view to making funds available to a payee at a payment service provider, irrespective of whether the payer and the payee are the same person; and

“unique identifier” means a combination of letters, numbers or symbols determined by the payment service provider, in accordance with the protocols of the payment and settlement or messaging system used to effect the transfer of funds.

(2) Subject to regulation 32, the provisions concerning wire transfers apply to a transfer of funds in any currency which is sent or received by a payment service provider that is established in the State.

Exemptions

32. (1) Subject to subregulation (2), a transfer of funds carried out using a credit or debit card is exempt from this Part if —

- (a) the payee has an agreement with the payment service provider permitting payment for the provision of goods and services; and
- (b) a unique identifier, allowing the transaction to be traced back to the payer, accompanies the transfer of funds.

(2) A transfer of funds is not exempt from the application of this Part if the credit or debit card is used as a payment system to effect the transfer.

(3) A transfer of funds is exempt from this Part if the transfer is carried out using electronic money, the amount transacted does not exceed \$2,500 and where the device on which the electronic money is stored —

- (a) cannot be recharged, the maximum amount stored in the device is \$500; or
- (b) can be recharged, a limit of \$7,500 is imposed on the total amount that can be transacted in a calendar year, unless an amount of \$2,500 or more is redeemed in that calendar year by the bearer of the device.

(4) For the purposes of this regulation, electronic money is money as represented by a claim on the issuer which —

- (a) is stored on an electronic device;
- (b) is issued on receipt of funds of an amount not less in value than the monetary value issued; and
- (c) is accepted as means of payment by persons other than the issuer.

(5) A transfer of funds made by mobile telephone or any other digital or of information technology device is exempt from this Part if —

- (a) the transfer is pre-paid and does not exceed \$1,000 or the transfer is post-paid;
- (b) the payee has an agreement with the payment service provider permitting payment for the provision of goods and services;
- (c) a unique identifier, allowing the transaction to be traced back to the payer, accompanies the transfer of funds; and
- (d) the payment service provider of the payee is a regulated person.

(6) A transfer of funds is exempt if —

- (a) the payer withdraws cash from the payer's own account;
- (b) there is a debit transfer authorization between two parties permitting payments between them through accounts, provided a unique identifier accompanies the transfer of funds to enable the transaction to be traced back;
- (c) it is made using truncated cheques;
- (d) it is a transfer to the Government of, or a public body in, the State for taxes, duties, fines or charges of any kind; or
- (e) both the payer and the payee are payment service providers acting on their own behalf.

P a y m e n t
s e r v i c e
p r o v i d e r o f
p a y e r

33. (1) Subject to regulation 32, the payment service provider of a payer shall ensure that every transfer of funds is accompanied by the full originator payer information.

(2) Subregulation (1) does not apply in the case of a batch file transfer from a single payer, where some or all of the payment service providers of the payees are situated outside the State, if —

- (a) the batch file contains the complete information on the payer; and
- (b) the individual transfers bundled together in the batch file carry the account number of the payer or a unique identifier.

(3) The payment service provider of the payer shall, before transferring any funds, verify the full originator information on the basis of documents, data or information obtained from a reliable and independent source.

(4) In the case of a transfer from an account, the payment service provider may deem verification of the full originator information to have taken place if it has complied with the provisions of these Regulations relating to the verification of the identity of the payer in connection with the opening of that account.

(5) In the case of a transfer of funds not made from an account, the full originator information on the payer shall be deemed to have been verified by a payment service provider of the payer if —

- (a) the transfer consists of a transaction of an amount not exceeding \$2,500.
- (b) the transfer is not a transaction that is carried out in several operations that appear to be linked and that together comprise an amount exceeding \$2,500; and
- (c) the payment service provider of the payer does not suspect that the payer is engaged in money laundering, terrorist financing or other financial crime.

(6) The payment service provider of the payer shall keep records of full originator information on the payer that accompanies the transfer of funds for a period of at least 7 years.

(7) Where the payment service provider of the payer and the payee are situated in the State, a transfer of funds need only be accompanied by —

- (a) the account number of the payee; or
- (b) a unique identifier that allows the transaction to be traced back to the payer, where the payer does not have an account number.

(8) Where this regulation applies, the payment service provider of the payer shall, upon request from the payment service provider of the payee, make available to the payment service provider of the payee the full originator information within 3 working days, excluding the day on which the request was made.

(9) Where a payment service provider of the payer fails to comply with a request to provide the full originator information within the period specified in subregulation (8), the payment service provider of the payee may notify the supervisory authority which shall require the payment service provider of the payer to comply with the request immediately.

(10) Without prejudice to subregulation (9), where a payment service provider of the payer fails to comply with a request, the payment service provider of the payee may —

- (a) issue such warning to the payment service provider of the payer as may be considered necessary;
- (b) set a deadline to enable the payment service provider of the payer to provide the required full originator information;
- (c) reject future transfers of funds from the payment service provider of the payer;
- (d) restrict or terminate its business relationship with the payment service provider of the payer with respect to transfer of funds services or any mutual supply of services.

34. (1) The payment service provider of the payee shall verify that fields within the messaging or payment and settlement system used to effect the transfer in respect of the full originator information on the payer have been completed in accordance with the characters or inputs admissible within the conventions of that messaging or payment and settlement system.

(2) The payment service provider of the payee shall put in place effective procedures for the detection of any missing or incomplete full originator information.

**P a y m e n t
s e r v i c e
p r o v i d e r o f
p a y e e**

(3) In the case of batch file transfers, the full originator information is required only in the batch file and not in the individual transfers bundled together in it.

(4) Where the payment service provider of the payee becomes aware that the full originator information on the payer is missing or incomplete when receiving transfers of funds, the payment service provider of the payee shall —

- (a) reject the transfer,
- (b) request for the full originator information on the payer, or
- (c) take such course of action as the supervisory authority directs, after it has been notified of the deficiency discovered with respect to the full originator information of the payer,

unless doing so would result in contravening a provision of the Act or the terrorist financing legislation.

(5) Missing or incomplete information shall be a factor in the risk-based assessment of a payment service provider of the payee as to whether a transfer of funds or any related transaction is to be reported to the Financial Intelligence Unit as a suspicious transaction or activity with respect to money laundering or terrorist financing.

(6) The payment service provider of the payee shall keep records of any information received on the payer for a period of at least 7 years.

**Intermediary
payment
service
provider**

35. (1) This regulation applies where the payment service provider of the payer is situated outside the State and the intermediary payment service provider is situated within the State.

(2) An intermediary payment service provider shall ensure that any information it receives on the payer that accompanies a transfer of funds is kept with that transfer.

(3) Where this regulation applies, an intermediary payment service provider may use a system with technical limitations, which prevents the information on the payer from accompanying the transfer of funds, to send a transfer to the payment service provider of the payee.

(4) Where, in receiving a transfer of funds, the intermediary payment service provider becomes aware that information on the payer required under this Part is incomplete, the intermediary payment service provider may only use a payment system with technical limitations if the

intermediary payment service provider (either through a payment or messaging system, or through another procedure that is accepted or agreed upon between the intermediary payment service provider and the payment service provider of the payee) provides confirmation that the information is incomplete.

(5) An intermediary payment service provider that uses a system with technical limitations shall, if the payment service provider of the payee requests, within 3 working days after the day on which the intermediary payment service provider receives the request, make available to the payment service provider of the payee all the information on the payer that the intermediary payment service provider has received, whether or not the information is the full originator information.

(6) An intermediary payment service provider that uses a system with technical limitations which prevents the information on the payer from accompanying the transfer of funds shall keep records of all the information on the payer that it has received for a period of at least 7 years.

PART 6

MISCELLANEOUS PROVISIONS

36. The following are designated as supervisory authorities for the purposes of section 151 of the Act —

**Designated
supervisory
authorities**

- (a) the Financial Services Authority, established by the Financial Services Authority Act 2011 is designated as the supervisory authority for regulated persons;
- (b) the Financial Intelligence Unit is designated as the supervisory authority of non-regulated service providers;
- (c) the Eastern Caribbean Central Bank is designated as the supervisory authority for externally regulated service providers who hold a licence granted under the Banking Act; and
- (d) the Eastern Caribbean Securities Regulatory Commission is designated as the supervisory authority for externally regulated service providers who hold a licence granted under the Securities Act.

No. 33 of 2011

Cap. 87

Cap. 261

37. For the purposes of sections 140 and 141 of the Act, “customer information”, in relation to a person (“the specified person”) and a regulated person, is information concerning whether the specified person holds, or has held, an account or accounts with the regulated person,

**C u s t o m e r
information**

whether solely or jointly with another, and, if so, the following information as to —

- (a) the account number or numbers;
- (b) the specified person's full name;
- (c) where the specified person is an individual, the individual's—
 - (i) date of birth; and
 - (ii) most recent address, any previous address, any postal address and any previous postal address;
- (d) where the specified person is a company —
 - (i) the country where the company is incorporated or is otherwise constituted, established or registered; and
 - (ii) the address of the registered office, any previous registered office, any business address, any previous business address, any postal address and any previous postal address;
- (e) where the specified person is a partnership or unincorporated body of persons, the information specified in paragraph (c) with respect to each individual authorised to operate the account, whether solely or jointly;
- (f) such evidence of identity with respect to the specified person as has been obtained by the regulated person;
- (g) the date or dates on which the specified person began to hold the account or accounts and, if the specified person has ceased to hold the account or any of the accounts, the date or dates on which the person did so;
- (h) the full name of any person who holds, or has held, an account with the financial institution jointly with the specified person;
- (i) the account number or numbers of any other account or accounts held with the financial institution to which the specified person is a signatory and details of the person holding the other account or accounts;

- (j) the full name and the information contained in paragraph (c), (d) or (e), as relevant, of any person who is a signatory to an account specified in paragraph (i).

38. The following amounts are prescribed for the purposes of the Act —

**P r e s c r i b e d
a m o u n t s**

- (a) application of section 33(1) of the Act, the amount prescribed is \$1,000;
- (b) discharge under section 34 of the Act, the amount prescribed is \$100;
- (c) minimum threshold for the purposes of section 104 of the Act, the amount prescribed is \$1,000.

39. (1) For the purposes of the Anti-Terrorist Financing and Proliferation Act, 2014, “financial services” means any services of a financial nature including, but not limited to —

**F i n a n c i a l
s e r v i c e s**

- (a) insurance-related services consisting of —
 - (i) direct life assurance;
 - (ii) direct insurance other than life assurance;
 - (iii) reinsurance and retrocession;
 - (iv) insurance intermediation, such as brokerage and agency;
 - (v) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;
- (b) banking and other financial services consisting of —
 - (i) accepting deposits and other repayable funds;
 - (ii) lending (including consumer credit, mortgage credit, factoring and financing of commercial transactions);
 - (iii) financial leasing;
 - (iv) payment and money transmission services (including credit, charge and debit cards, travellers’ cheques and bankers’ drafts);
 - (v) providing guarantees or commitments;

- (vi) financial trading, as defined in subregulation (2);
- (vii) participating in issues of any kind of securities, including underwriting and placement as an agent, whether publicly or privately, and providing services related to such issues;
- (viii) money brokering;
- (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (x) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;
- (xi) as a supplier of other financial services, providing or transferring financial information, and financial data processing or related software;
- (xii) providing advisory and other auxiliary financial services in respect of any activity listed in subparagraphs (i) to (xi), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

(2) In subregulation (1) (b)(vi), “financial trading” means trading for own account or for account of customers, whether on an investment exchange, in an over-the-counter market or otherwise, in —

- (a) money market instruments, including cheques, bills and certificates of deposit;
- (b) foreign exchange;
- (c) derivative products, including futures and options;
- (d) exchange rate and interest rate instruments, including products such as swaps and forward rate agreements;
- (e) transferable securities;
- (f) other negotiable instruments and financial assets, including bullion.

Repeals
Cap. 181

40. The Proceeds of Crime (Money Laundering) Regulations are revoked.

SCHEDULE 1**(section 3)****SERVICE PROVIDERS**

1. The following are service providers when acting in the course of a business carried on in, or from within, the State:
 - (a) subject to paragraphs 3 and 4, a person that carries on any kind of regulated business;
 - (b) a person who, by way of business, provides any of the following services to third parties, when providing such services:
 - (i) acting as a secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons or arranging for another person to act in one of the foregoing capacities or as the director of a company,
 - (ii) providing a business, accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement,
 - (iii) acting as, or arranging for another person to act as, a nominee shareholder for another person,
 - (iv) arranging for another person to act as a nominee shareholder for another person;
 - (c) a person who conducts as a business one or more of the following activities for, or on behalf of, a customer:
 - (i) lending, including consumer credit, mortgage credit, factoring, with or without recourse, and financing of commercial transactions, including forfeiting,
 - (ii) financial leasing,
 - (iii) issuing and managing means of payment, including credit and debit cards, cheques, travellers' cheques, money orders and bankers' drafts and electronic money,
 - (iv) financial guarantees or commitments,
 - (v) participation in securities issues and the provision of financial services related to such issues,
 - (vi) providing advice on capital structure, industrial strategy and related questions and advice and services relating to mergers and the purchase of undertakings,

- (vii) safekeeping and administration of cash,
 - (viii) investing administering or managing funds or money,
 - (ix) money broking;
 - (d) a person who, as a business, trades for his own account or for the account of customers in:
 - (i) money market instruments, including cheques, bills, certificates of deposit and derivatives,
 - (ii) foreign exchange,
 - (iii) exchange, interest rate and index instruments,
 - (iv) financial futures and options,
 - (v) commodities futures, or
 - (vi) shares and other transferable securities;
 - (e) a person who, by way of business:
 - (i) provides accountancy or audit services,
 - (ii) acts as a real estate agent, when the person is involved in a transaction concerning the buying and selling of real estate;
 - (f) an independent legal professional; and
 - (g) a high value dealer.
2. The following are “service providers”, when acting in the course of a business, whether carried on in, from within or outside the State:
- (a) a mutual fund registered or recognised, or required to be registered or recognised, under the Mutual Funds Act when marketing or otherwise offering its shares;
 - (b) a person who, although not licensed under the Mutual Funds Act acts as the administrator or manager of a public fund registered, or required to be registered, or a private or professional fund recognised, or required to be recognised, under the Mutual Funds Act.
3. A person that carries on insurance business is a service provider only where it carries on:
- (a) long-term business; or
 - (b) any form of life insurance business or investment related insurance business that may be classified as general insurance business.

Cap. 154

4. A person who carries on business as:
 - (a) an insurance agent; or
 - (b) an insurance broker;is a service provider only where the person acts with respect to any type of business referred to in paragraph 3(a) or 3(b).
5. Telecommunications' service providers, but only for the purposes of regulations 10, 11, 21, 22 and 23.

SCHEDULE 2

(section 3)

EXTERNALLY REGULATED SERVICE PROVIDERS

The following are externally regulated service providers:

- Cap. 87 (a) a person who holds a licence issued under the Banking Act; and
- Cap. 261 (b) a person who holds a licence issued under Part 4 or Part 9 of the Securities Act.

SCHEDULE 3

(section 3)

REGULATORY LICENCES

The following are specified as "regulatory licences" for the purposes of the Act and these Regulations:

- Cap. 99 (a) a licence issued under the International Banks Act;
- Cap. 87 (b) a licence issued under the Banking Act;
- Cap. 154 (c) a licence issued under the Mutual Funds Act;
- Cap. 307 (d) a licence issued under the International Insurance (Amendment and Consolidation) Act;
- Cap. 105 (e) a licence issued under the Registered Agent and Trustee Licensing Act;
- No. 12 of 2012 (f) a registration authorized under the Co-operative Societies Act 2012;
- Cap. 306 (g) a registration authorized under the Insurance Act;
- Cap. 261 (h) a licence issued under Part 4 or Part 9 of the Securities Act;
- Cap. 260 (i) a registration authorized under the Money Services Business Act.

Made this 6th day of August 2014.

DR. THE HON. RALPH GONSALVES
Prime Minister, Minister of Finance,
National Security, Legal Affairs and
Grenadines Affairs.

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