

TURKS AND CAICOS ISLANDS
PROCEEDS OF CRIME ORDINANCE
ANTI-MONEY LAUNDERING AND PREVENTION OF
TERRORIST FINANCING (AMENDMENT)(NO.4) CODE
2022

(Legal Notice 85 of 2022)

ARRANGEMENT OF REGULATIONS

REGULATION

1. Citation and commencement
2. Interpretation
3. Regulation 2 amended
4. Regulation 13A inserted
5. Part 8 substituted
6. Regulation 48 amended

PROCEEDS OF CRIME ORDINANCE

**ANTI-MONEY LAUNDERING AND PREVENTION OF
TERRORIST FINANCING (AMENDMENT)(NO.4) CODE
2022**

(Legal Notice 85 of 2022)

MADE by the Anti-Money Laundering Committee under section 118(1) of the Proceeds of Crime Ordinance.

Citation and commencement

1. This Code may be cited as the Anti-Money Laundering and Prevention of Terrorist Financing (Amendment)(No.4) Code 2022 and shall come into operation on 18 November 2022.

Interpretation

2. In this Code “principal Code” means the Anti-Money Laundering and Prevention of Terrorist Financing Code.

Regulation 2 amended

3. Regulation 2(1) of the principal Code is amended in the definition of “bank” by deleting the words “or a financial business which conducts as a business one or more of the activities specified in paragraph 1(d)(i) to (xi) of Schedule 2 to the AML/CFT Regulations”.

Regulation 13A inserted

4. The principal Code is amended by inserting after regulation 13 the following regulation—

“Customer due diligence for purchaser and vendor of real property

13A. A financial business engaged in realtor activities shall, in relation to a transaction for the sale of real property, conduct customer due diligence on both the buyer and seller of the property even if the realtor acts for only one of the parties to the transaction.”.

Part 8 substituted

5. The principal Code is amended by deleting Part 8 and substituting the following Part—

“PART 8

CORRESPONDENT BANKING

Application of this Part

41. This Part applies to the following financial businesses—

- (a) a bank;
- (b) a person who carries on money services business as defined in the Money Transmitters Ordinance;
- (c) a financial business which conducts as a business one or more of the activities specified in paragraph 1(d)(i) to (x) of Schedule 2 to the AML/CFT Regulations; and
- (d) a company that carries on insurance business in accordance with paragraph 2 of Schedule 2 to the AML/CFT Regulations.

Restrictions on correspondent banking

42. A financial business to which this Part applies that is, or that proposes to be, a correspondent institution shall—

- (a) not enter into or not maintain correspondent relationships with any respondent institution that is a shell bank;
- (b) not maintain relationships with any respondent institution that itself provides correspondent relationships to shell banks;
- (c) apply customer due diligence measures on respondent institution using a risk-based approach that takes into account, in particular—
 - (i) the respondent’s domicile;
 - (ii) the respondent institution’s ownership and management structure;
 - (iii) the respondent institution’s customer base, including its geographic location, its business, including the nature of services provided by the respondent institution 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 institution relies on third parties to identify and hold evidence of identity on, or to conduct other due diligence on, its customers;

- (d) determine from publicly available sources the reputation of the respondent institution and the quality of its supervision;
- (e) assess the respondent institution's anti-money laundering and terrorist financing systems and controls to ensure that they are consistent with the requirements of the FATF Recommendations;
- (f) not enter into a new correspondent relationship unless it has the prior approval of senior management;
- (g) ensure that the respective anti-money laundering and counter terrorist financing responsibilities of each party to the correspondent relationship are understood and properly documented;
- (h) ensure that the correspondent relationship and its transactions are subject to annual review by senior management;
- (i) 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
- (j) not enter into a correspondent 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.

Payable through accounts

43. A financial business to which this Part applies that provides customers of a respondent institution with direct access to its services, whether by way of payable through accounts or by other means, shall ensure that it is satisfied that the respondent institution—

- (a) has undertaken appropriate customer due diligence and, where applicable, enhanced customer due diligence in respect of its customers that have direct access to the correspondent institution's services; and

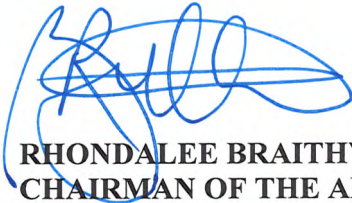
(b) is able to provide relevant customer due diligence information and verification evidence upon request to the correspondent institution.”.

Regulation 48 amended

6. Regulation 48 of the principal Code is amended by deleting subregulation (2) and substituting the following subregulation—

“(2) Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, the batch file shall contain required and accurate originator information, and full beneficiary information, that is fully traceable within the beneficiary country; and the payment service provider shall include the originator’s account number or unique transaction reference number.”.

MADE this 18th day of November 2022.



**RHONDALEE BRAITHWAITE-KNOWLES
CHAIRMAN OF THE ANTI-MONEY LAUNDERING
COMMITTEE**

EXPLANATORY NOTE

(This Note is not part of the Code)

This Code amends the principal Code to ensure compliance with FATF AML/CFT recommendations.