



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty, Integrity and Transparency

16 Oct 2024

REGULATORY ADVISORY NO. 3 OF 2024

GUIDANCE ON MONEY LAUNDERING REPORTING OFFICERS, MONEY LAUNDERING COMPLIANCE OFFICERS, DNFBP'S AND FINES

On 4th October 2024, amendments to the Anti-Money Laundering and Prevention of Terrorist Financing Regulations came into operation pursuant to Legal Notice 33 of 2024. The amendments impact Schedule 3, Regulations 21, 22 and 26 and insert new Regulations 29A and 29B.

The details of the amendments are as follows:

Regulation 21:

1. Requires all financial businesses, including Designated Non-Financial Businesses and Professions (DNFBPs), to obtain approval in writing from the Financial Services Commission (FSC) prior to any changes of the Money Laundering Compliance Officer (MLCO).
2. Requires all financial businesses (including DNFBPs) to notify the FSC in writing within 7 days following a change in MLCO.
3. Requires all financial businesses (including DNFBPs) to apply to the FSC within 14 days for approval to appoint an MLCO. Thus, financial businesses ordinarily will have a maximum of 14 days to identify and evaluate a new MLCO.
4. Allows DNFBPs to request an extension in writing if unable to comply with the 14-day deadline mentioned above.

Regulation 22:

1. Requires all financial businesses (including DNFBPs) to obtain approval in writing from the FSC prior to any change of the Money Laundering Reporting Officer (MLRO).
2. Requires all financial businesses (including DNFBPs) to notify the FSC in writing within 7 days following a change in MLRO.
3. Requires all financial businesses (including DNFBPs) to apply to the FSC within 14 days for approval to appoint a MLRO. Thus, financial businesses will ordinarily have a maximum of 14 days to identify and evaluate a new MLRO.



4. Allows DNFBPs to request an extension in writing if unable to comply with the 14-day deadline mentioned above.

Regulation 26:

1. The DNFBP Register which is maintained by the FSC will now contain the dates and other relevant information concerning changes to a DNFBP's owner, controller, manager, MLCO and MLRO.

Regulation 29A:

1. Requires all DNFBPs to obtain approval in writing from the FSC prior to making any changes in ownership, appointing a controller or appointing a manager.
2. Requires all DNFBPs to notify the FSC in writing within 14 days following a change in owner, controller, or manager.

Regulation 29B:

1. Requires all DNFBPs to submit an annual return to the FSC by 31st March covering the period 1 January to 31 December of the previous year. The annual return form will be disseminated accordingly.

Schedule 3:

1. Authorizes the FSC to fine a DNFBP that has failed to notify the FSC of a change in ownership or that a vacancy in the positions of controller, manager, MLCO or MLRO has occurred. The amount of the fine that can be imposed is \$2,500 and \$100 for every day the contravention continues or occurs.
2. Authorizes the FSC to fine a DNFBP that has failed to submit its annual return. The amount of the fine that can be imposed is \$2,500 and \$100 for every day the contravention continues or occurs.

The Financial Services Commission anticipates that the amendments will improve our ability to prevent criminals or their associates from being professionally accredited or from holding (or beneficially owning) significant or controlling interests or holding a management function in a DNFBP. The amendments ensure financial businesses have persons with the essential expertise to combat money laundering and it also strengthens our monitoring and sanction powers.

Please be guided accordingly.

TCI Financial Services Commission