



# TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

*Regulating with Honesty, Integrity and Transparency*

23 December 2020

## REGULATORY ADVISORY NO 9 of 2020

### LEGAL PROCEEDINGS AND ENHANCED DUE DILIGENCE

The Commission, as part of the implementation of its risk-based regulatory framework, has taken the decision to assign a higher risk rating to regulated/supervised entities who - directly or through a principal or officer – were charged, implicated, or otherwise the subject of legal proceedings relating to money laundering, terrorist financing, corruption and/or other financial crimes.

This decision is also consistent with the Commission's [Fit & Proper Guidelines](#) (revised in January 2020), which considers legal and reputational risk in assessing the probity of licensees or prospective licensee. The “fit and proper test” is carried out by the Commission at the registration/licensing stage and throughout the life of the regulatory relationship with the Commission. Section 6.1 of the Fit & Proper Guidelines lists the individuals, connected to a licensed or supervised entity, who will be required to meet and maintain the fit and proper status.

As such, as of 1 January 2021, any entity implicated in any legal proceeds associated with, or connected to, money laundering, terrorist financing, corruption, or other financial crimes (such as the TCI SIPT trial), will be placed in the Commission's elevated risk category and will attract enhanced regulatory scrutiny.

Please be guided accordingly.

**Niguel Streete**  
**Managing Director**