

**ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM /COUNTER
PROLIFERATION FINANCING IN FOCUS**

Part Seventeen:

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-
Recommendation 15: New Technologies**

By: The Attorney General's Chambers and the National Anti-Money Laundering Oversight Committee (NAMLOC)

The development and offering of new products are central to the survival of financial institutions and designated non-financial businesses and professions (DNFBPs).

In Recommendation 15 of the Financial Action Task Force Forty Recommendations, financial institutions and DNFBPs (Attorneys, Realtors, Jewellers, Car Dealers etc.) are required to assess the money laundering and terrorist financing risks associated with the development of new products and business practices and their delivery mechanisms. This is also useful when new or developing technologies are used for new or existing products. It is advised that this assessment is done before such products or services are launched as this will assist in mitigating areas of risks beforehand.

It is recommended that in identifying the money laundering/ terrorist financing risk associated with new technologies a risk based approach is used. A risk based approach stipulates that where the money laundering or terrorist financing risks are high then commensurate mitigation measures must be taken to prevent any abuse. Conversely, when the money laundering/terrorist financing risks are low, simplified counter-measures can be instituted.

The Money Laundering (Prevention) Act calls upon financial institutions and DNFBPs to “have policies in place and take measures to prevent the misuse of technology for money laundering. The level of verification used should be appropriate to the risk associated with the particular product or service”. Further, financial institutions are called upon to report to a Board of Directors at least quarterly. This report is to include a money laundering risk assessment of any new product or service and their distribution channels.

In today's modernized financial space, virtual currency and internet banking are examples of new technologies, however, many other examples abound.

During the 4th Round Mutual Evaluation, this Recommendation will be tested by the assessors from the Caribbean Financial Action Task Force (CFATF) for both compliance and effectiveness. The on-site visit scheduled for September 16-27, 2019, will see financial institutions being engaged by the assessors to demonstrate the measures utilized to prevent new technologies from being abused.

Information on this and the other Recommendations can be had from the CFATF website at <https://www.cfatf-gafic.org>, also available from this site is a Guidance Note on Virtual Currencies.