

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

Part Twenty-Two:

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-
Recommendation 20: Reporting of Suspicious Transactions**

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

The Financial Action Task Force (FATF) through Recommendation 20, mandates financial institutions and designated non-financial businesses and professions (DNFBPs), classified as other business activities in Saint Lucia, to report suspicious transactions.

Transactions which financial institutions or DNFBPs view as being unusual in nature or circumstance and have reasonable grounds to believe are proceeds of criminal activity or related to terrorist financing are classified as suspicious transactions. There can also be a concern about the person conducting the transaction and this can also result in a suspicious transaction.

Criminal activity as referred to in Recommendation 20 means any criminal act which is considered a predicate offence to money laundering. In Saint Lucia, these include, drug trafficking, burglary, prostitution etc. All these activities bring illicit gains which the perpetrators will seek to launder to give the appearance of clean funds. The reference to terrorist financing speaks to providing financial support to terrorist organizations or terrorist acts. Any amount which is donated is classified as terrorist financing.

These transactions if suspected and regardless of the amount should be reported to Financial Intelligence Authority.

Section 16(1)(k) of the Money Laundering (Prevention) Act states that financial institutions and DNFBPs should 'report to the Authority any suspicious transaction relating to money laundering as soon as reasonably practicable, and in any event, within 7 days of the date the transaction was deemed to be suspicious'. Additionally, the Anti-Terrorism Act in section 32(3) mandates financial institutions to report to the Financial Intelligence Authority whether they are in possession of property owned or controlled by or on behalf of a terrorist group.

Failure to report a suspicious transaction is an offence, and any financial institution or DNFBP which fails to comply, as indicated in section 33(7) of the Money Laundering (Prevention) Act, is liable on indictment to a fine of \$500,000.

Assessors from the Caribbean Financial Action Task Force (CFATF) will seek to ascertain whether suspicious transactions are being filed by financial institutions and DNFBPs when they arrive in Saint Lucia for the on-site visit from September 16-27, 2019. It should be noted that they will not seek details about the transactions reported.

More detailed information on Recommendation 20 can be sourced from the CFATF website at <https://www.cfatf-gafic.org>.