



FINANCIAL INTELLIGENCE AUTHORITY

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Circular No. 003/2023

Date: May 15, 2023

To: All reporting entities

Re: 2023 Legislative Amendments

The Financial Intelligence Authority (the Authority) advises of the following amendments to the Anti-Terrorism Act, Cap. 3.16, and to the Money Laundering (Prevention) Act, Cap 12.20, and of the enactment of the Registration of Supervised Entities Act, No. 12 of 2023.

1. THE ANTI-TERRORISM ACT

Amendment of section 2

- Introduction of new definition for “financial institution” and “specified entity”

Amendment of section 3

- Amendment to provide for the Financial Intelligence Authority and other competent authorities to develop and implement internal policies for designating a person as a specified entity.

Amendment of section 3A

- Amendment in the heading to correctly reference the Financial Intelligence Authority

Amendment of section 3B

- Provision for the Attorney General to make a proposal to the 1267 Committee or the 1988 Committee for an entity to be listed on the 1267 List or the 1988 List and to publish an Order, in the Gazette, declaring that entity to be a specified entity.

Amendment of sections 5, 6, 6A and 7 – 19A

- Amendment to the maximum applicable fines and/or imprisonment terms for the relevant offences.

Insertion of new section 20A

- Provision for the regulatory authority to suspend a licence or certificate of a person who is charged with or convicted of an offence under the ATA.

Amendment of section 22B

- Amendment to provide for funds to be made accessible for meeting expenses of a specified entity.

Amendment of section 22C

- Amendment to make provision for funds to be used for expenses of a specified entity listed on the 1267 list or the 1988 list.

Amendment of section 22F

- Provision for a person with the same or a similar name of a specified entity, to be deemed a person affected by a freezing order.

Amendment of section 22G

- Makes a provision that a person, on being served with a freezing order regarding a specified entity, shall immediately freeze all funds of that specified entity and inform the Financial Intelligence Authority that the funds are frozen.
- Expands the category of persons required to freeze funds and imposes a maximum fine of two million dollars or term of imprisonment for a maximum of life, for a director, manager or employee of a financial institution who contravene a freezing order.

Amendment of section 22H

- Expands the category of persons required to freeze funds.

Insertion of new sections 22I and 22J

- Provides for the Eastern Caribbean Central Bank and the Financial Intelligence Authority to communicate the designation and de-listing of a specified entity.
- Further, a financial institution upon being notified that an entity is no longer a specified entity, shall immediately unfreeze funds and reactivate accounts.

Amendment of section 23

- To provide for a competent authority other than the Ministry of External Affairs to gather information to investigate an offence under the ATA.

Amendment of sections 31 and 32

- Amendment of the maximum applicable fines and/or imprisonment terms for the relevant offences.

Amendment of section 41

- Amendment to provide that the Minister may make Regulations with respect to policies and procedures under this Act.

2. THE MONEY LAUNDERING (PREVENTION) ACT

Amendment of Section 2:

- Amendment to the definition for the term “beneficial owner”
- Introduction of new definitions for “close associate” and “virtual asset business”.

Amendment of Section 6B:

- The penalty for a financial institution or person engaged in other business activity who fails to comply with a direction is increased to one hundred thousand dollars.

Amendment of Section 14H:

- The penalty for a licensed financial institution’s non-compliance with specific sections of the Act is increased to one hundred thousand dollars.

Amendment of Section 15:

- Provision for the thresh-hold for establishing customer identity for specified transactions to be “Ten Thousand United States Dollars or its equivalent in Eastern Caribbean Dollars” instead of “eight thousand dollars”
- Substitution of the definition of “applicant for business”.

Amendment of Section 16(1):

- Provides that a financial institution or person engaged in other business activity must report to the Authority a transaction or attempted transaction considered to be suspicious relating to terrorist financing and proliferation financing.

Amendment of Section 17(1):

- Amendment to require the conduct of customer diligence measures with respect to a virtual assets business that carries out specified financial transactions.

Amendment of Section 18):

- Substitution to provide additional measures that a financial institution or person engaged in other business activity must undertake with respect to politically exposed persons.

Amendment of Section 28:

- Clarification that a person must not handle property representing his or her criminal conduct or criminal conduct in general.

Amendment of Section 34:

- Expansion of the areas under which the Authority provides mutual legal assistance to include terrorist financing and proliferation financing.

Insertion of Section 41

- Provision to exempt the Authority from the payment of duties, taxes and levies.

Amendment of Schedule 2, Part A:

- Removal of “an entity licensed under the International Mutual Funds Act,” from the scope of application of the Act and addition of “new financial institutions to which the Act applies”.

3. THE REGISTRATION OF SUPERVISED ENTITIES ACT, NO. 12 OF 2023

New legislation requiring specified persons engaged in *Other Business Activity* to register with the Authority for the purpose of complying with the laws in relation to money laundering and other criminal conduct. This requirement to register applies to the following categories of entities:

- A Motor Dealer licensed under the Motor Vehicles and Road Traffic Act, Cap. 8.01.
- A person involved in transactions for a client concerning the buying and selling of real estate.
- A dealer in precious metals or stones, when engaging in any transactions equal to or exceeding \$25,000.
- Attorneys-at-law when they carry out transactions for a client in relation to the following activities —

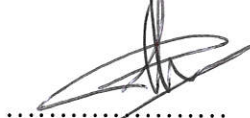
- buying and selling real estate;
 - creating, operating or managing companies;
 - managing bank, savings or securities accounts;
 - managing client's money, securities or other assets; or
 - raising contributions for the creation, operation or management of companies.
- Accountants when they carry out transactions for a client in relation to the following activities —
- buying and selling real estate;
 - creating, operating or managing companies;
 - managing bank, savings or securities accounts;
 - managing client's money, securities or other assets; or
 - raising contributions for the creation, operation or management of companies.

The Authority will issue a Certificate of Registration to each registered entity and maintain a Register of Supervised Entities with relevant details of each registrant.

The above legislation can be accessed on the Authority's website at: <https://www.slufia.com/p/legislation>.

Please ensure that all relevant updates to the legislation are reflected in your institutions AML/CFT/CPF policies, procedures and controls.

Yours Sincerely,



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Paul Thompson
Director