

**FIA**

FINANCIAL INTELLIGENCE AUTHORITY

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Circular No. 002/2024

Date: November 20th, 2024

To: All Reporting Entities

Re: 2024 Legislative Amendments

The Financial Intelligence Authority (the Authority) advises of the passing of *the Money Laundering (Prevention) (Amendment) Act, No. 18 of 2024*, which provides for the following amendments to the Money Laundering (Prevention) Act, Cap 12.20.

1. ***Amendment of Section 2: (Interpretation)***
 - Amendment which extends the definition for the term “beneficial owner”.
2. ***Amendment of Section 5: (Functions of the Authority)***
 - Amendment to permit the Chief Executive Officer of the Citizenship by Investment Unit and the Special Prosecutor to receive information from the Financial Intelligence Authority (the Authority).
3. ***Amendment of Section 15: (Customer Identity)***
 - Amendment to require a financial institution or person engaged in other business activity to establish the true identity of the other person on whose behalf or for whose benefit an individual may be acting on in a transaction.
4. ***Amendment of Section 16: (Responsibility of the Financial Institution or Person engaged in other business activity.)***
 - Amendment which makes it a requirement for the appointment of a Compliance Officer to be approved by the Authority, rather than the financial institution or person engaged in other business activity.
 - Amendment which makes it a requirement for the appointment of a Compliance Officer of a licensed financial institution to be approved by the Central Bank in consultation with the Authority.

5. *Amendment of Section 17: (Customer Due Diligence)*
 - Amendment clarifies the requirement for a financial institution or person engaged in other business to conduct customer due diligence on existing relationships at any given point, while considering whether customer due diligence was previously conducted and the adequacy of the data obtained.

6. *Amendment of Section 21: (Source of Funds Declaration)*
 - Substitution of Section 21 with new wording to provide for:
 - a. An applicable Source of Funds Declaration threshold of XCD27,000 instead of USD10,000.
 - b. The re-insertion of the provisions that make it a criminal offence for an individual to provide false information on a Source of Funds Declaration, along with the penalty for the offence.

7. *Amendment of Section 30: (Acquisition, possession or use of proceeds of criminal conduct)*
 - Substitution of subsection (1A) with new phrasing to clarify the offence of self-laundering.

The above legislation can be accessed on the Authority's website at:

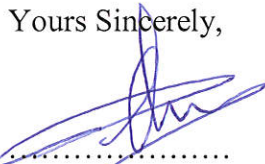
<https://www.slufia.com/p/legislation>.

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

The FIA will be issuing guidance on the procedure to be adopted for complying with the new provisions of Section 16 (1) (n).

In the interim, any reporting entity with plans to execute a new appointment of compliance officer role within the next six (6) to eight (8) weeks, should contact the Supervision Unit directly for instructions on how to obtain the requisite approval from the Authority.

Yours Sincerely,



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Paul Thompson
Director