

Anti-Money Laundering and Sanctions Rules and Guidance (AML)

*In this attachment underlining indicates new text and striking through indicates deleted text.

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9.2 Business partner identification

9.2.1 ...

- (2) In the context of this Rule, a 'business partner' includes:
 - (a) a qualified professional as specified in Rule 9.1.1(1);
 - (b) a member of the Relevant Person's Group;
 - (c) a Correspondent Bank; or
 - (d) any other service provider.
- (3) A Relevant Person that establishes, operates or maintains a Correspondent Account for a Correspondent Banking Client must ensure that it has arrangements to:
 - (a) conduct due diligence in respect of the opening of a Correspondent Account for a Correspondent Banking Client, including measures to identify:
 - (i) its ownership and management structure;
 - (ii) its major business activities and customer base;
 - (iii) its location; and
 - (iv) the intended purpose of the Correspondent Account;
 - (b) identify all third parties that will use the Correspondent Account; and
 - (c) monitor Transactions processed through a Correspondent Account that has been opened by a Correspondent Banking Client, in order to detect and report any suspicion of Money Laundering.

Guidance

Under (2)(d), service providers include agents that facilitate directly the activities of Authorised Persons in servicing their clients, as distinct from other service providers that provide purely ancillary services, such as IT, facilities management etc. to an Authorised Person.

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9.3 Outsourcing and agents

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9.3.2 Authorised Persons Providing Money Services

(1) An Authorised Person that is engaged in Providing Money Services must:

- (a) maintain a complete, current and accurate register of all agents and members of its Group it uses to conduct its operations and make that register available to the Regulator upon request;
- (b) include all agents and members of its Group identified in (a) as part of its AML compliance programme and monitor the compliance of such agents and members of its Group with the requirements of its AML programme;
- (c) comply with all AML requirements imposed in all jurisdictions within which it operates and ensure the compliance of its agents and members of its Group operating on its behalf with all AML requirements in the jurisdictions in which they are operating;
- (d) when executing a Payment Transaction, assess and consider all relevant information, including information about the Payer and the Payee, including any beneficiary as may be applicable, and require its agents and members of its Group, as appropriate, to determine whether a Suspicious Activity Report should be filed by it or its agents or a member of its Group; and
- (e) where appropriate, ensure that a Suspicious Activity Report is filed in all jurisdictions related to a suspicious Payment Transaction and make available to all authorities responsible for AML compliance all transaction information related to the Suspicious Activity Report.

(2) An Authorised Person making an assessment under (1) must rely upon current sources of information when making such assessment and must keep adequate records concerning such assessments, including all sources and materials considered, for a period of at least six years.

Guidance

Agents facilitate directly the activities of Authorised Persons in servicing their clients, as distinct from other service providers that provide purely ancillary services, such as IT, facilities management etc. to an Authorised Person.

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12.4 Reporting

12.4.1 The MLRO must report semi-annually to the Governing Body or Senior Management of the Relevant Person on the following matters:

- (a) the results of the review under Rule 4.1.1(4);
- (b) the Relevant Person's compliance with applicable Anti-Money Laundering laws including these Rules;
- (c) any relevant findings, recommendations, guidance, directives, resolutions, Sanctions, notices or other conclusions and how the Relevant Person has taken them into account;
- (d) any internal Suspicious Activity Reports made by the Relevant Person's Employees, or its agents or members of its Group where acting on its behalf, and action taken in respect of those reports, including the grounds for all decisions;
- (e) any external Suspicious Activity Reports made by the Relevant Person, or its agents or members of its Group where acting on its behalf, and action taken in respect of those reports including the grounds for all decisions; and
- (f) any other relevant matters related to Anti-Money Laundering as it concerns the Relevant Person's business.

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