



Guernsey Financial  
Services Commission

# NRA2 – Risk & Mitigation

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Financial Crime Division

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# Agenda

- Sector Vulnerabilities to ML, TF & PF
- Industry Engagement
- Value of NRAs
- Where now with the PF NRA?



# Enhanced Understanding of Sectorial Risks



Financial Flows by volume and value in and out of the Bailiwick.



Geographic information on the location of customers.



Information on the use of reliable introducers.



Information on the use of intermediaries.



Qualitative information – new case studies.

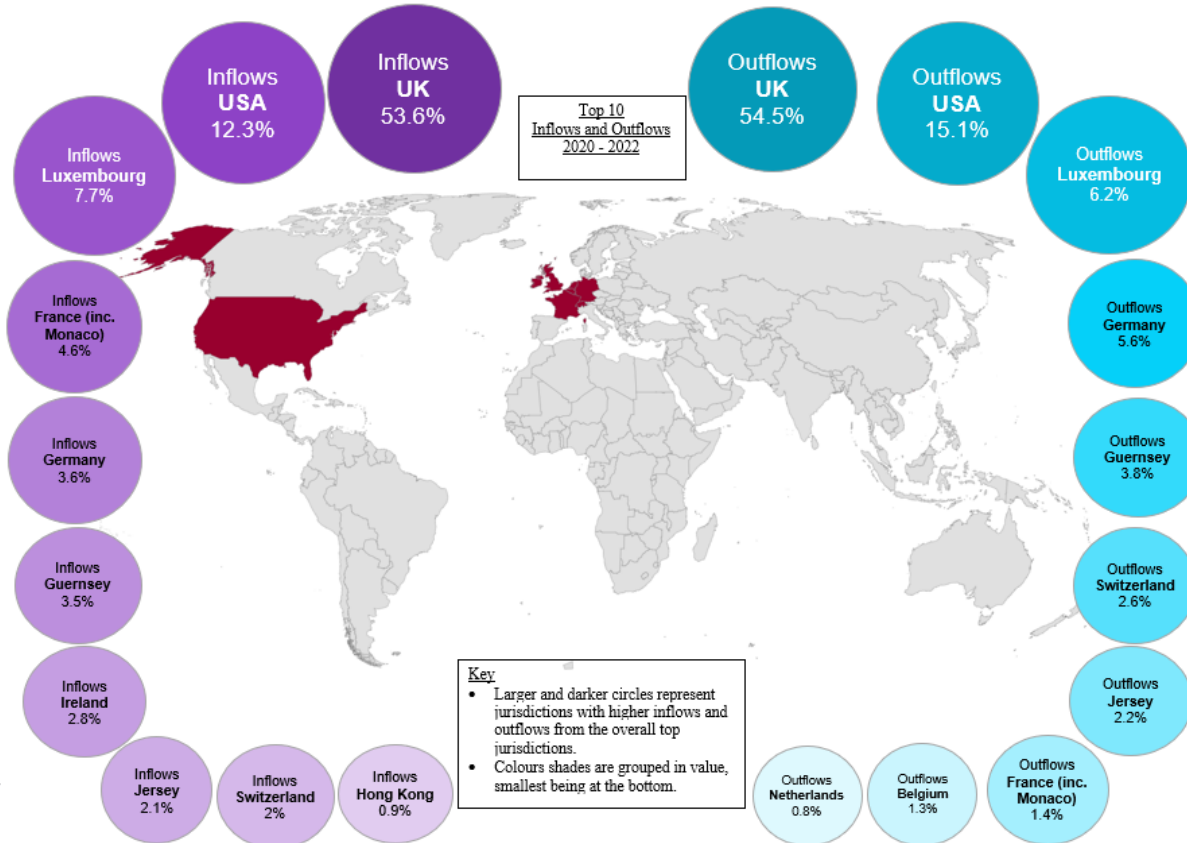


Industry Surveys.

# Financial Flows

Under 1% of inflows and outflows with higher risk countries.

But, remember we are further down the chain of laundering activity.



# ML, TF and PF Residual Risks

Industry Sector	Money Laundering	Terrorist Financing	Proliferation Financing
Private Banking	Higher	Lower	Lower
Retail Banking	Medium Higher	Lower	Lower
TCSP (legal persons etc)	Higher	Lower	Lower
TCSP (Pensions etc.)	Medium Lower	Lower	Lower
Asset management	Medium Higher	Lower	Lower
Collective Investments	Medium	Lower	Lower
Life Insurance	Medium Lower	Lower	Lower
Legal	Medium	Lower	Lower
Accountancy	Medium Lower	Lower	Lower
General Insurance	Lower/Much Lower	Lower	Lower
Real Estate	Lower	Much Lower	Very Much Lower

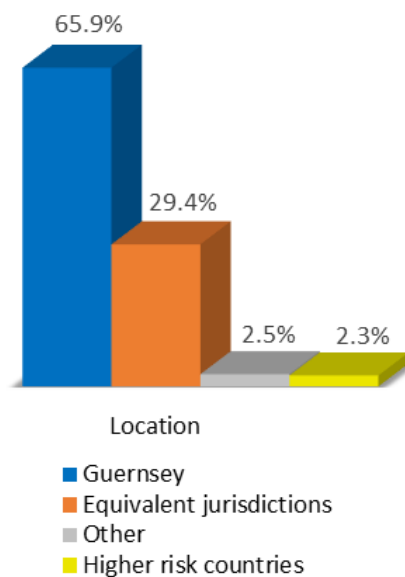
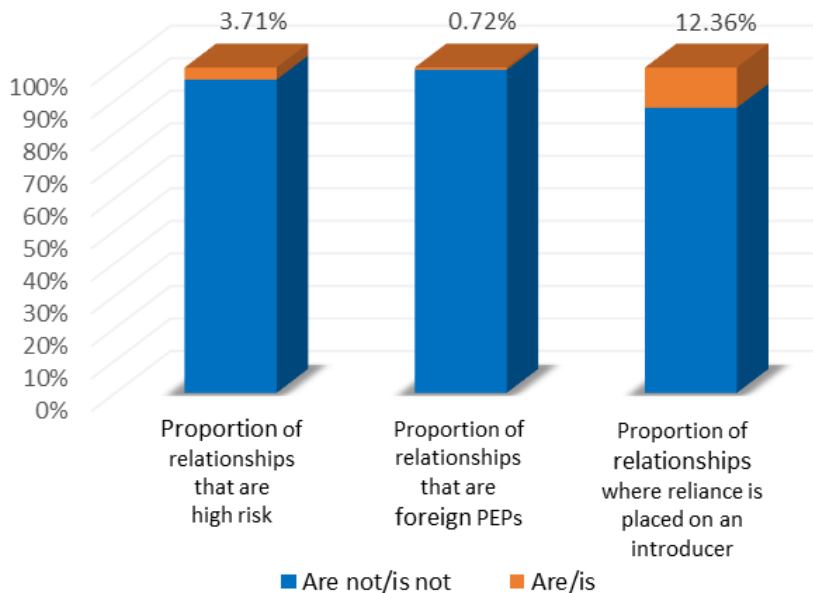
# Banking

## Residual Risk Ratings

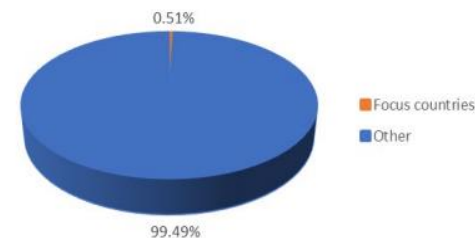
Money Laundering: Higher/Medium Higher

Terrorist Financing: Lower

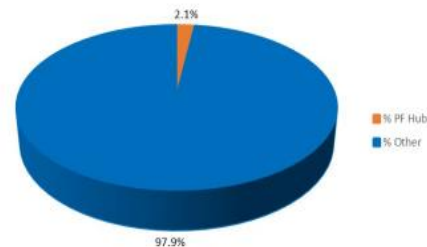
Proliferation Financing: Lower



## Focus Countries



## PF Hubs



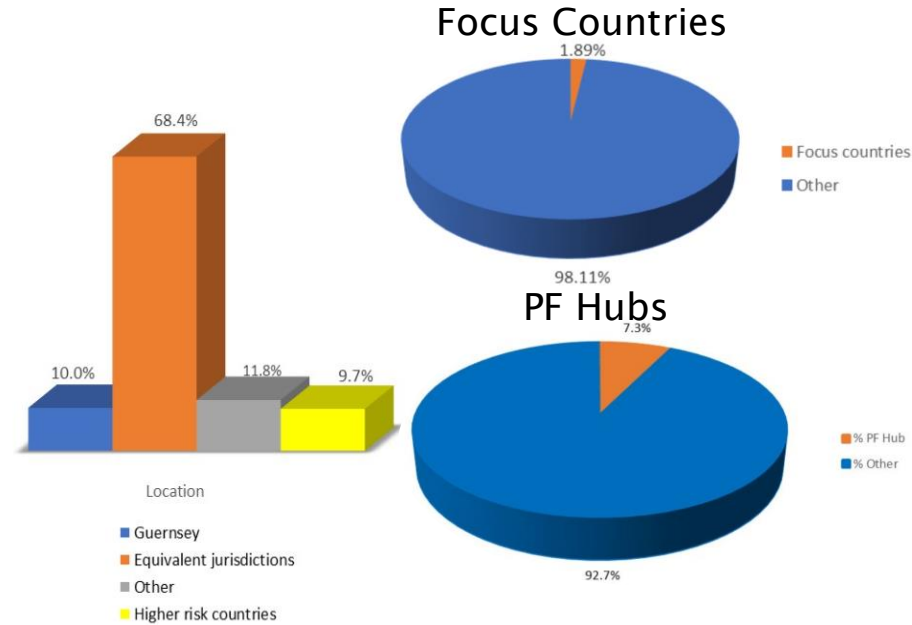
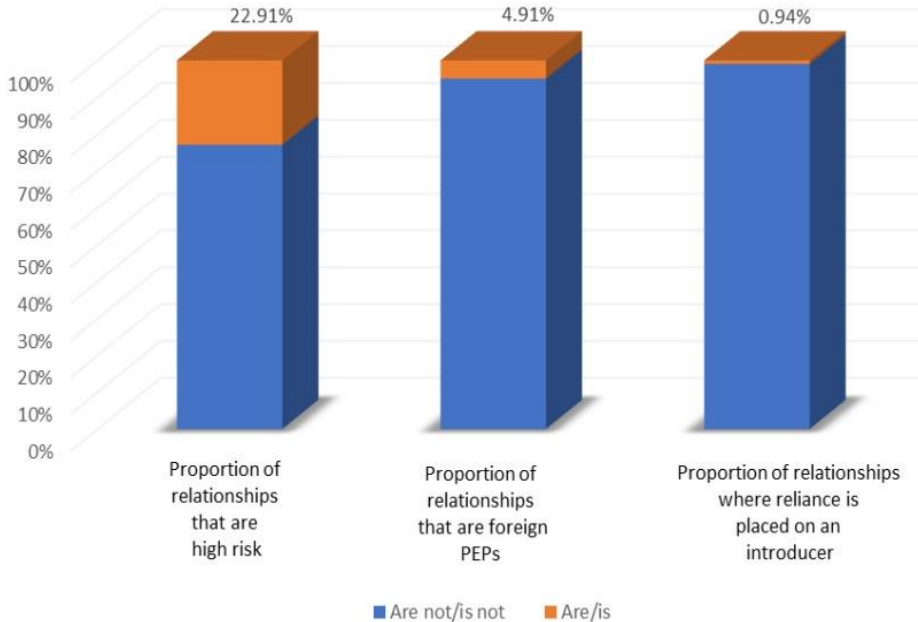
# Fiduciary

## Residual Risk Ratings

Money Laundering: Higher/Medium Lower

Terrorist Financing: Lower

Proliferation Financing: Lower



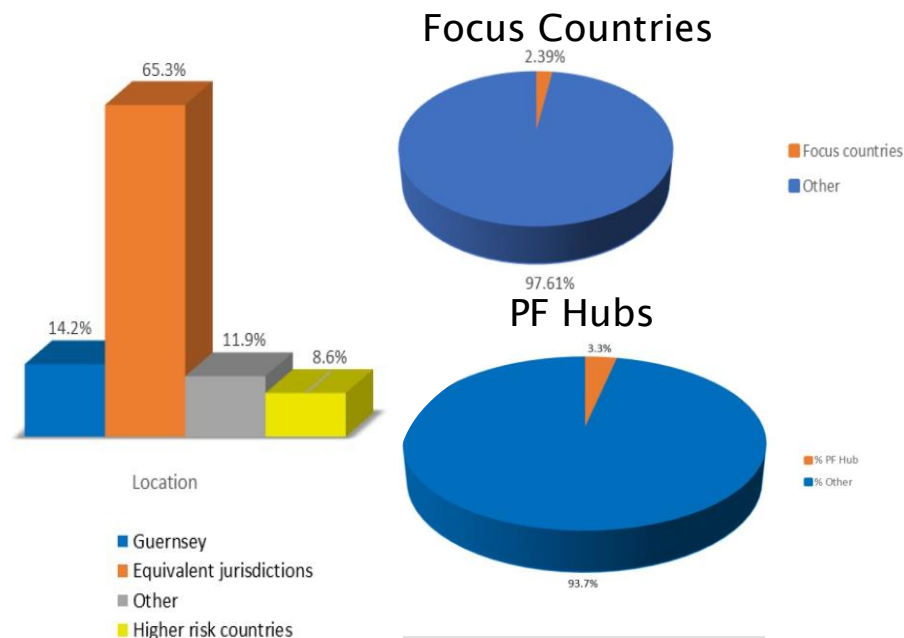
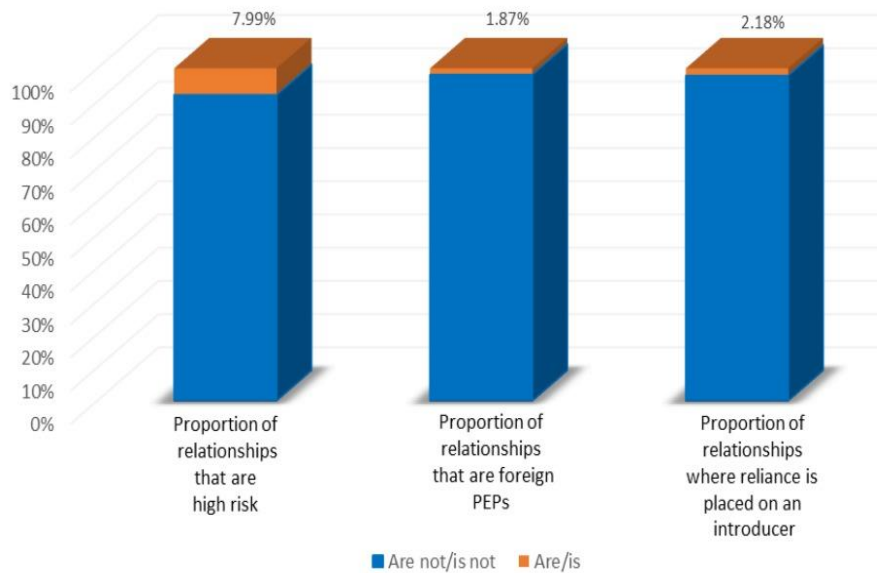
# Investment

## Residual Risk Ratings

Money Laundering: Medium Higher/Medium

Terrorist Financing: Lower

Proliferation Financing: Lower





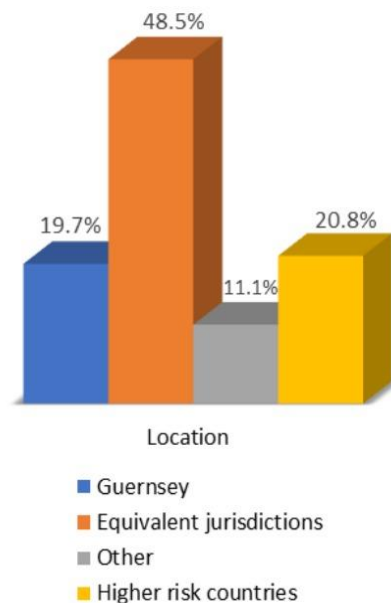
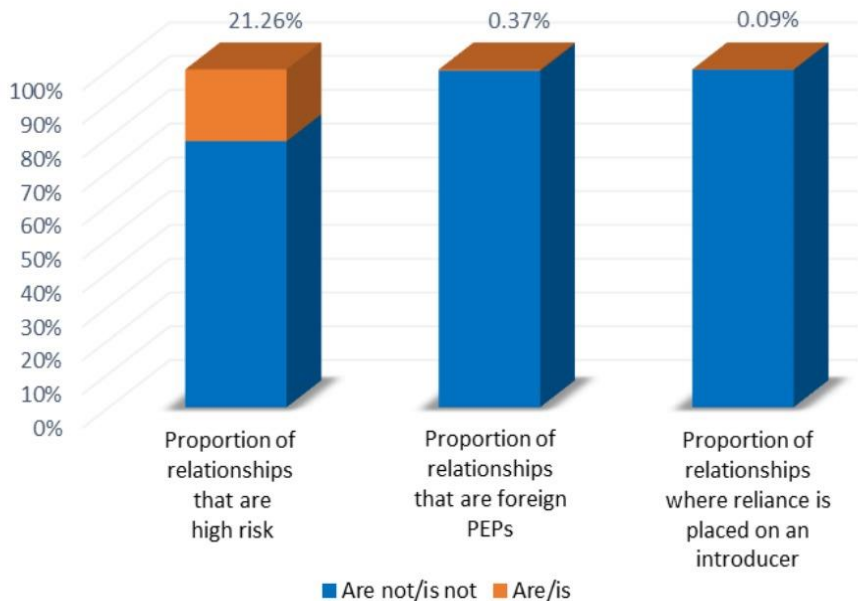
# Insurance

## Residual Risk Ratings

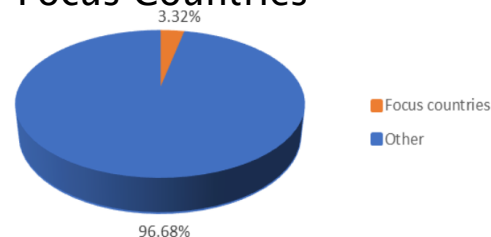
Money Laundering: Medium Lower/Lower/Much Lower

Terrorist Financing: Lower

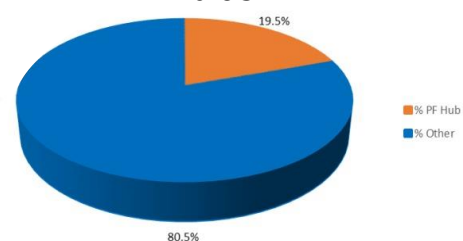
Proliferation Financing: Lower



## Focus Countries



## PF Hubs



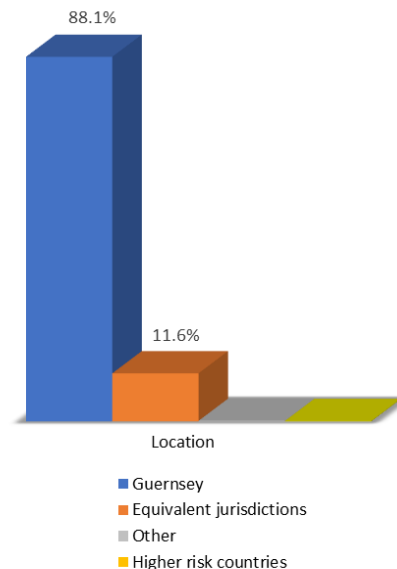
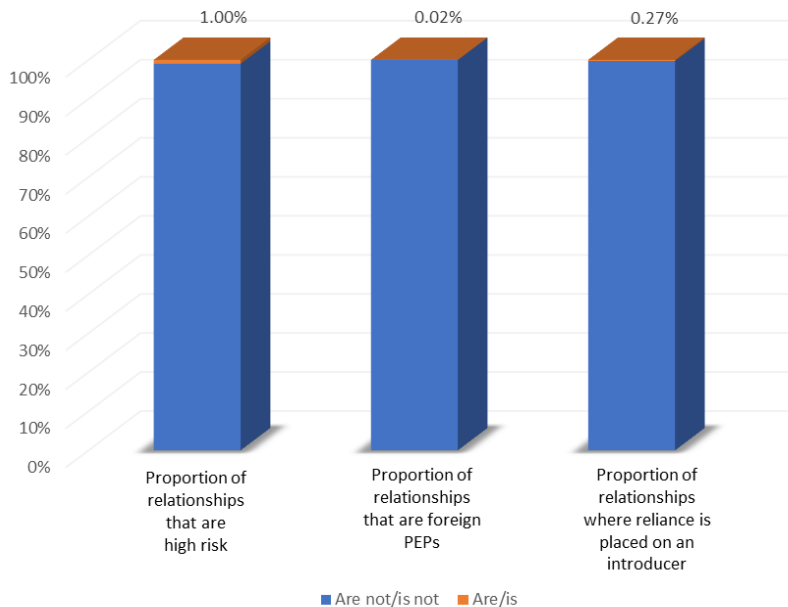
# Non-core FSBs

## Residual Risk Ratings

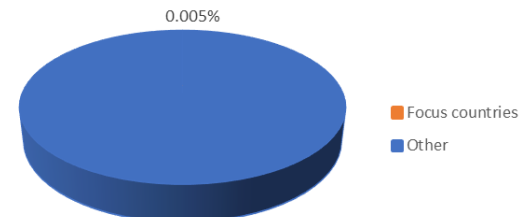
Money Laundering: Medium Lower

Terrorist Financing: Lower

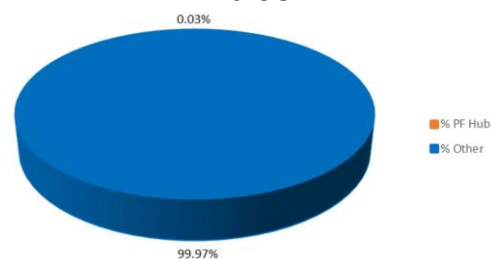
Proliferation Financing: Lower



## Focus Countries



## PF Hubs



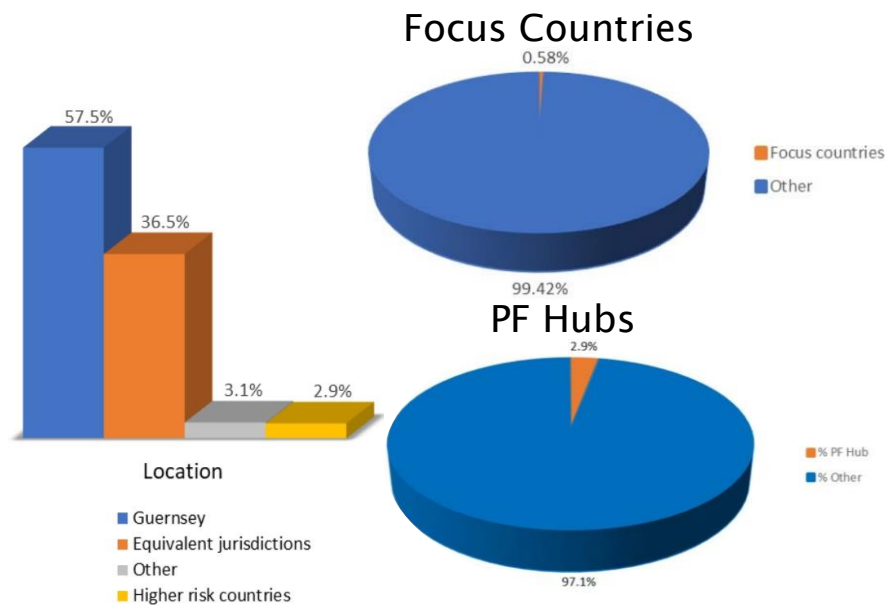
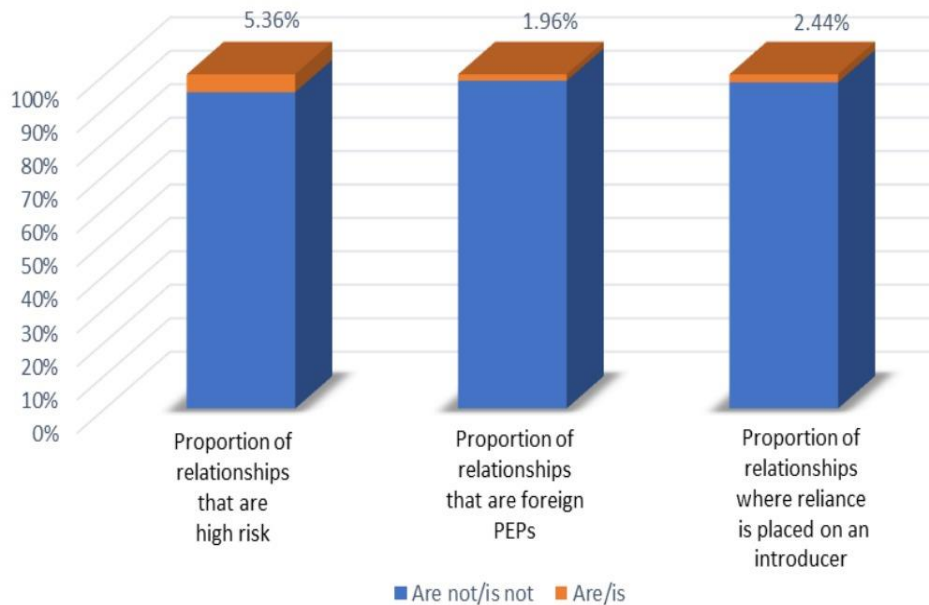
# Lawyers

## Residual Risk Ratings

Money Laundering: Medium

Terrorist Financing: Lower

Proliferation Financing: Lower



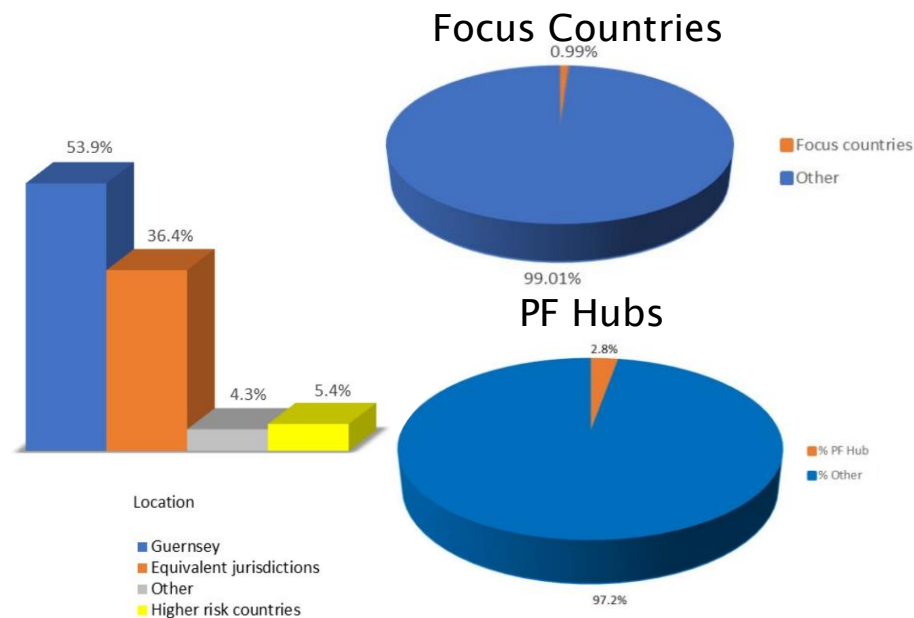
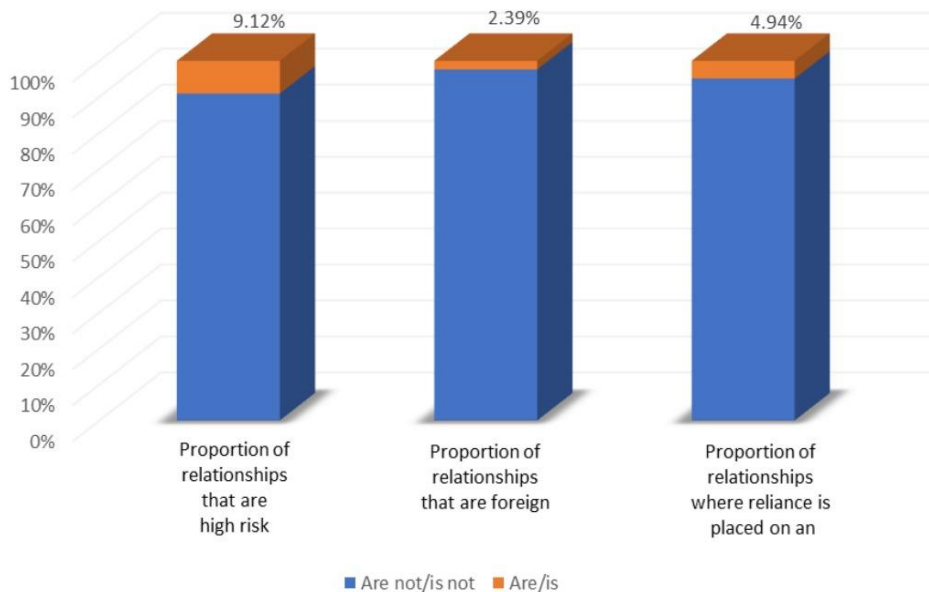
# Accountants

## Residual Risk Ratings

Money Laundering: Medium Lower

Terrorist Financing: Lower

Proliferation Financing: Lower



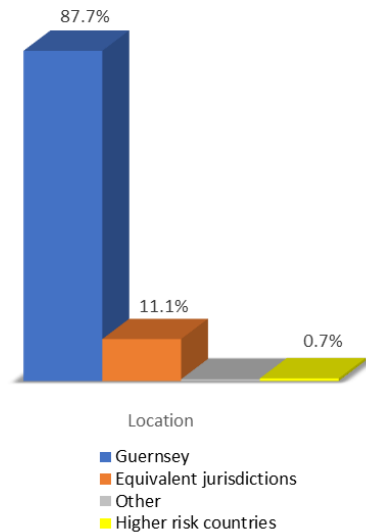
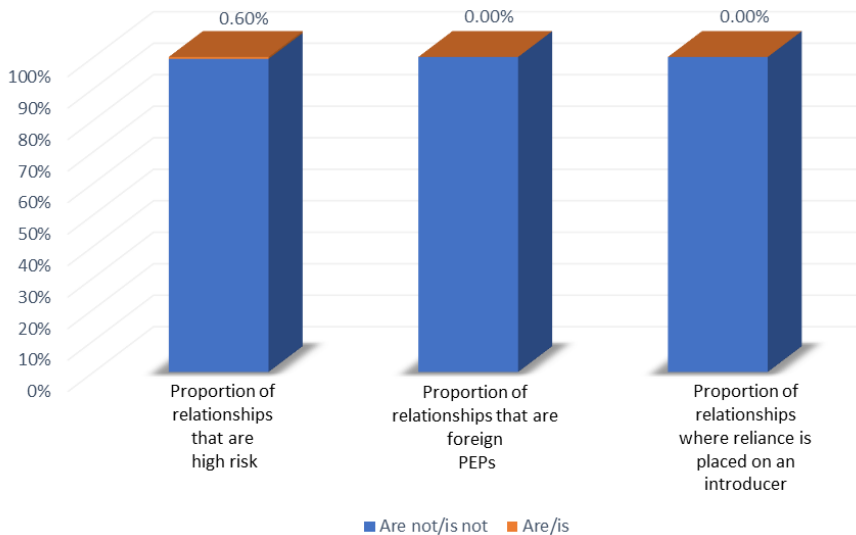
# Estate Agents

## Residual Risk Ratings

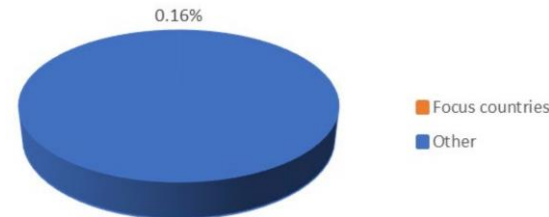
Money Laundering: Lower

Terrorist Financing: Much Lower

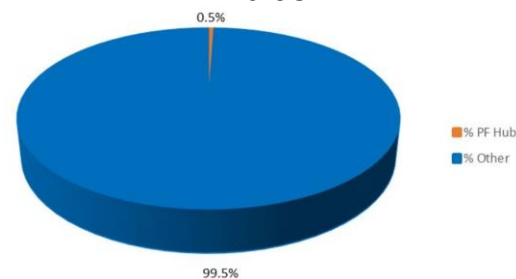
Proliferation Financing: Very Much Lower



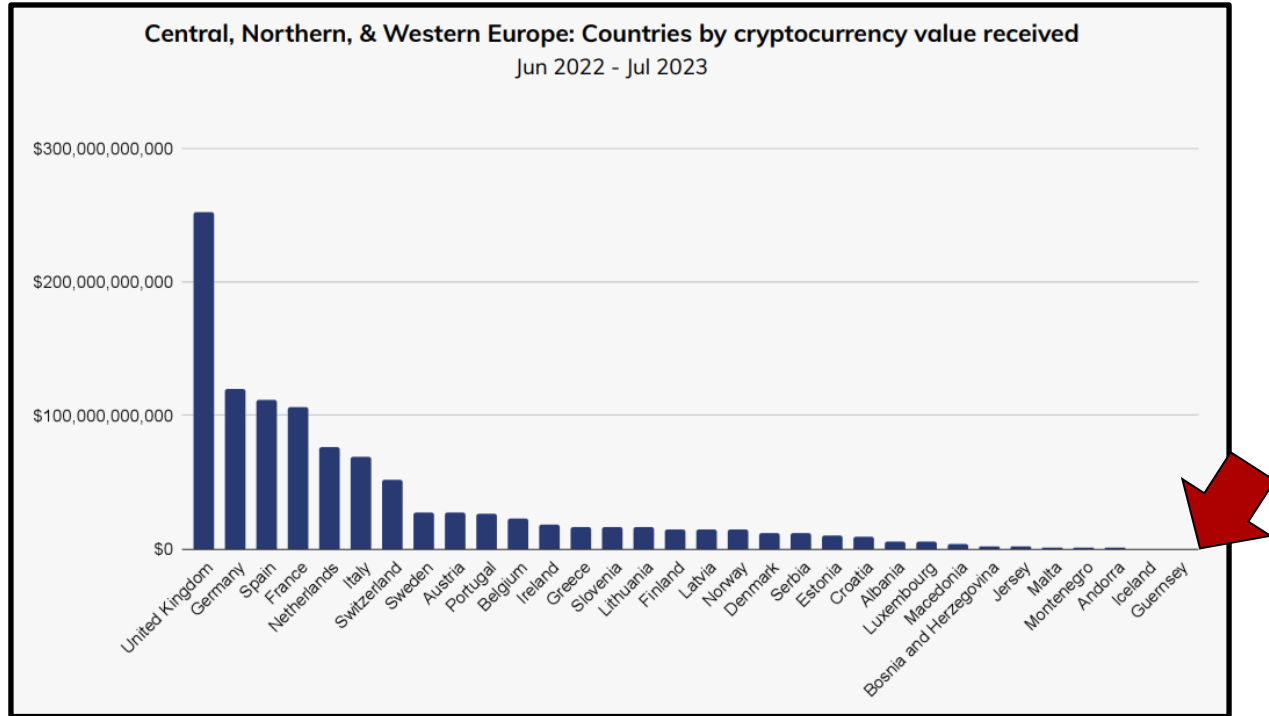
## Focus Countries



## PF Hubs



# Virtual Assets



Source: Chainalysis 2023 Geography Cryptocurrency Report

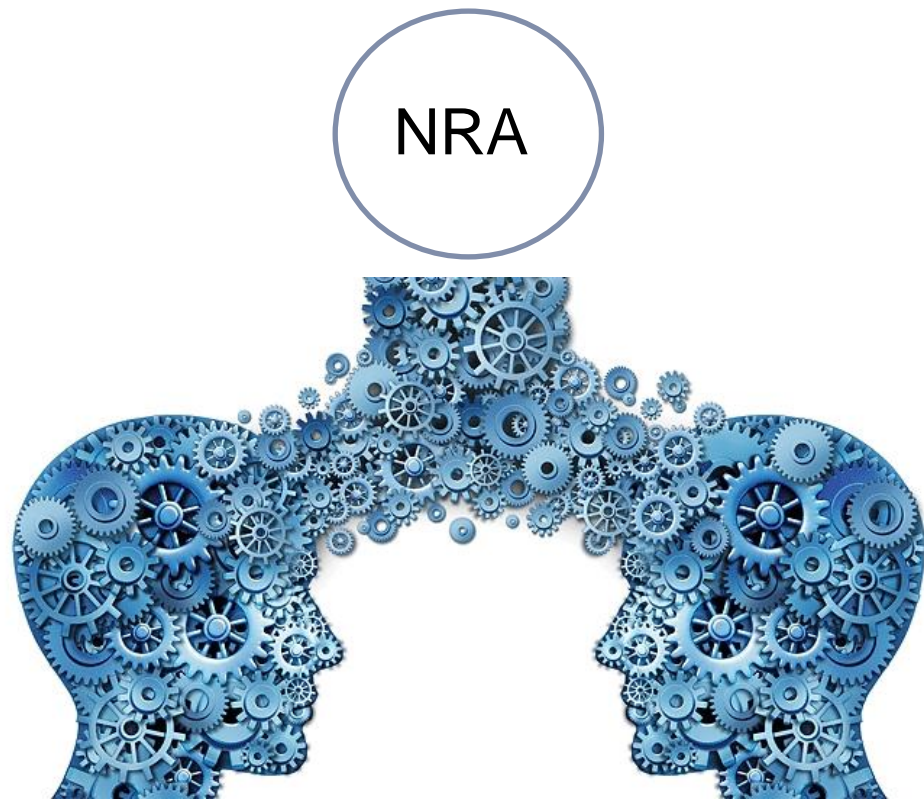
# NRA2



- Industry Role.
- Value of NRAs.
- Proliferation Financing.

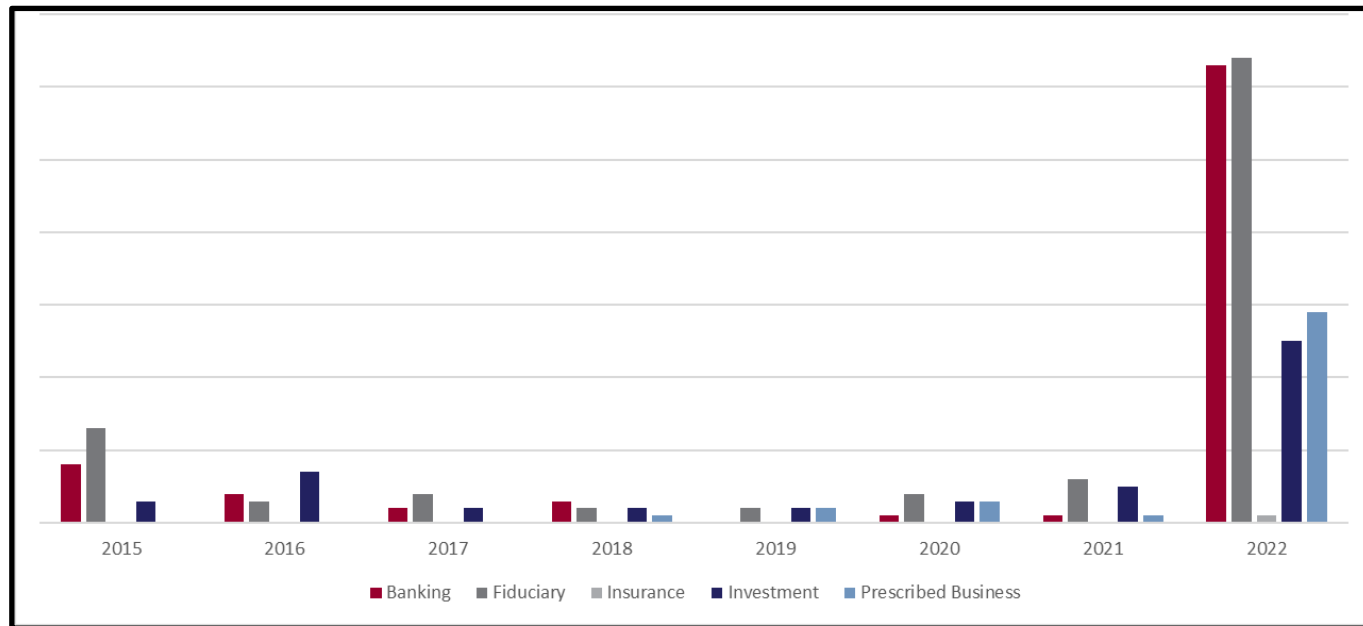
# Industry Engagement

- 300 responses to the surveys issued in September 2023.
- Very high response rate from banks, fiduciaries & investment.
- Corroborated our views on risk based on MLA, SARs and supervisory knowledge.
- Mitigation of specific events such as the Panama Papers.



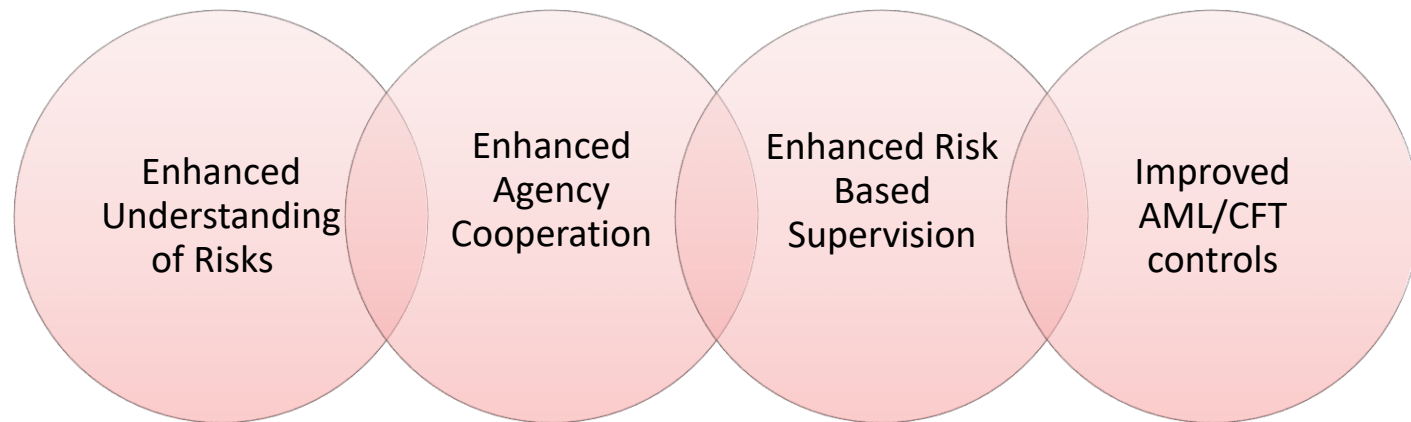


# New Threats: Russian sanctions

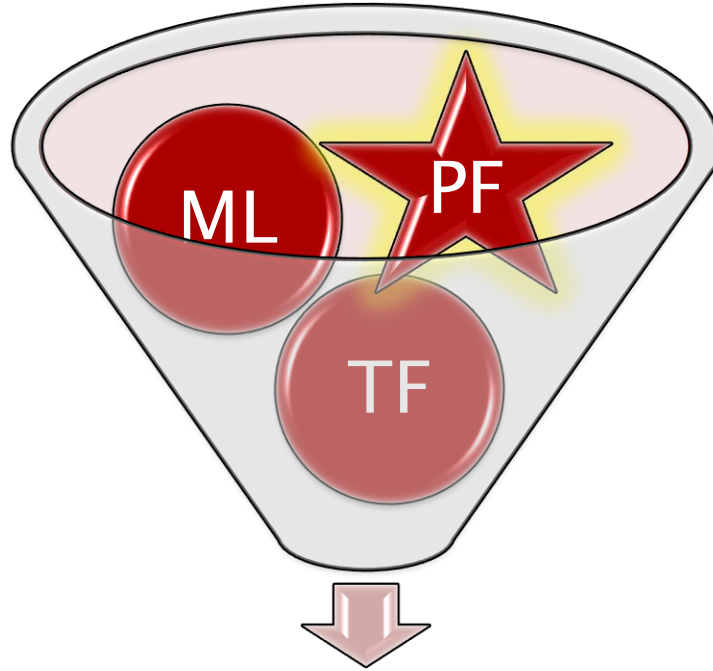


Business Relationships/Occasional Transactions Reported to Policy & Resources Committee for Sanction Connections – by Sector

# Benefits of the NRA



# Business Risk Assessments – PF Risk



Business Risk Assessments

# PF Risk Assessment – Impact on you

- PF BRA by 31 December.
- Update Policies, procedures and controls.
- Update customer risk assessments.
- Acknowledge difference between TF and PF.



# Break time

