

Summary of Proposed Changes to the Handbook

No changes were made to Chapters 5 and 6 and Appendices B, E, G and H. Please note that Appendix G will be updated once the proposed amendments to Schedule 3 are finalised.

Minor changes were made to Chapters 2, 4, 8, 10, 14, 15, 16 and 18 and Appendices C, D and F.

The minor changes mentioned above and also referred to within the table below include:

- Adding in PF or CPF as appropriate;
- changing FT to TF;
- adding in WMD;
- separating fraud and tax evasion as risks identified within the NRA (previously referred to “fraud (including tax evasion)”);
- adding in reference to paragraph 16A of Schedule 3 to the legislative boxes where appropriate;
- removing “standards to combat ML and TF” and replacing with “measures” [consistent with the FATF Recommendations];
- including reference to Recommendation 18 (specifically in Chapter 9 paragraph 34); and
- updating paragraph cross-references.

| <u>Chapter</u> | <u>Paragraph</u> | <u>Description</u> |
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| Front Cover, Contents and Acronyms | N/A | Name of Handbook amended on front cover. |
| | Throughout | Other minor changes. |
| 1 | 5 | New guidance to explain the definition of PF. |
| | Predominantly 33 & 34 | Updated information on the NRA. |
| | Throughout | Minor changes. |
| 3 | 2 | Highlighting the specific limited definition of PF. |
| | 32 | Including the requirement for a suitable and sufficient PF BRA. |
| | 37 | Highlighting the specific limited definition of PF for PF BRA and NRA purposes. |
| | 62(s) - (u) | Additions to other potential sources of risks included. |
| | 101(b) | Including trading companies as a risk factor. |
| | 101(m) and (n) | Including two additional risk factors. |
| | 103(m) | Additional risk factor included. |
| | 113(c) | Additional risk factor included. |
| Throughout | Minor changes. | |
| 7 | 123 | Update to highlight that local charities and NPOs are considered low risk. |
| | 127 | Update to information is public in respect of Guernsey NPOs and charities. |
| | Throughout | Minor changes. |
| 9 | 33 | Update to factors considered in determination of Appendix C countries. |
| | 74(f) | Amendments to Pooled Account Provisions to allow low risk non-financial services access to them. |
| | 78 - 80 | Updates to Rules to reflect above amendment to Pooled Account Provisions. |
| | Throughout | Minor changes. |
| 11 | 19 | Additional high risk transactions red flag. |

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| | Throughout | Minor changes. |
| 12 | 1 & 2 | Introductory paragraphs updated explaining sanctions and relevant legislation. |
| | 4 - 9 | Removal of "Overview" section. |
| | 6 - 10 | Update to the Bailiwick's sanctions regime, removing EU references and updating legal references. |
| | 12 - 14 | New section inserted on extra-territorial sanctions to refer to EU and OFAC sanctions. |
| | 15 | Removal of External Relations Group and replaced with administration of Bailiwick's sanction regime. |
| | 16 | Update to reporting obligations |
| | 18 - 19 | Replacement of Designated Persons section with sanctions measures and targets section to update terminology. |
| | 20 - 21 | Updated information on sanctions licences to align with States of Guernsey website. |
| | 22 | Rule updated to align with wording in Sanctions Law and Terrorist Asset Freezing Law. |
| | 23 | Removal of connected parties as no longer referenced in preceding rule and replaced with guidance. |
| | 24 - 26 | Guidance updated regarding published lists. |
| | 28 | Rule updated to align with wording in Sanctions Law and Terrorist Asset Freezing Law. |
| | 29 | Terminology updated and inclusion of virtual assets and VASPs. |
| | 36 | Updated guidance for automated screening testing results to be included within management reports. |
| | 37 | New rule created for firms to report sanctions connections to the Commission as well as P&R. |
| | 38 | New rule created for firms to maintain a register of reports made relating to sanctions. |
| 39 & 40 | Additional guidance describing benefits of maintaining the above register. | |
| | Throughout | Minor changes. |
| 13 | 2 | Insertion of reference to the Information Regulations. |
| | 8 | Insertion of guidance relating to local PF offences. |
| | 9 | Insertion of link to FIU guidance on the consent regime. |
| | 27 | Additional guidance to Rule 13.26. |
| | 32(v) and (w) | Additional potential red flags. |
| | 47 | Insertion of reference to a FIU guidance document. |
| | 61 | Updated guidance on the consent regime replacing previous guidance. |
| | 67 | Insertion of additional guidance regarding tipping off. |
| | 72 | Updated guidance on terminating a business relationship following disclosure. |
| | 74 – 78 | Updated guidance in respect of updated legislation. |
| | | Throughout |
| 17 | 6 | Updated legislation to reflect proposed amendments to have a PF BRA – implementation date to be confirmed. |

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| | 8 | Rule updated to include a transitional provision deadline for PF BRA. |
| | Throughout | Minor changes. |
| Appendix A | N/A | Inclusion of definition of the 2020 Regulations. |
| | N/A | Inclusion of definition of EFCB. |
| | N/A | Inclusion of definition of the Information Regulations. |
| | N/A | Inclusion of definition of Proliferation Financing. |
| | N/A | Update on TF offence definition. |
| | N/A | Minor changes. |
| Appendix I | N/A | Sources 6 and 8 updated, however does not include any additions or removals of countries. |
| | Throughout | Other minor changes. |