



Guernsey Financial
Services Commission

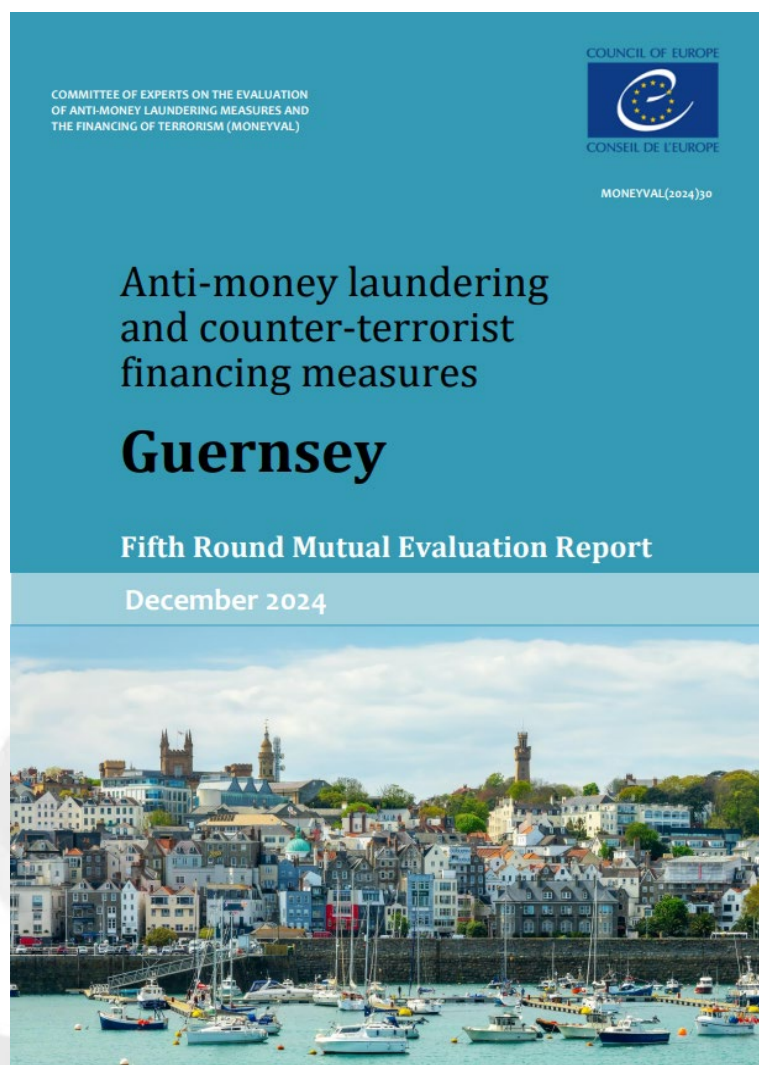
After MONEYVAL: an update on the evaluation and what it means for supervision

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Agenda

- Ratings
- Highlights
- Video
- Recommendations



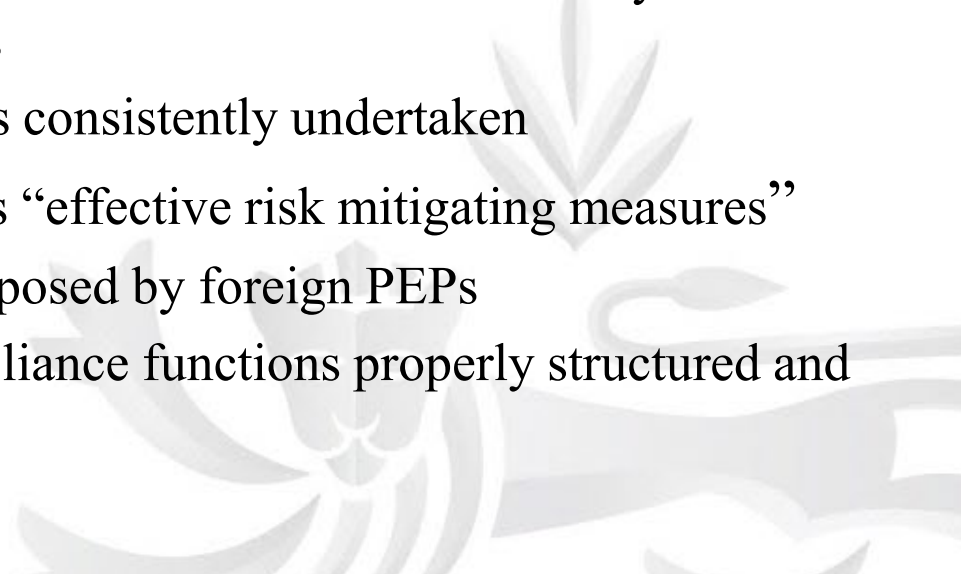
Effectiveness ratings

	Immediate Outcome	Rating
1	Risk, Policy and Coordination	Substantial
2	International Co-operation	Substantial
3	Supervision	Moderate
4	Private sector – AMLCFT measures	Moderate
5	Beneficial ownership – trusts & companies	Substantial
6	Financial Intelligence	Moderate
7	Money laundering investigation & prosecution	Low
8	Confiscation	Moderate
9	Terrorist financing investigation & prosecution	Substantial
10	Terrorist financing prevention & financial sanctions	High
11	Proliferation financing – sanctions	High

Highlights

- Compliant or largely compliant with FATF's 40 Recommendations
- Two “high” effectiveness ratings, achieved by only 2 other MONEYVAL jurisdictions and 6 FATF jurisdictions
- Two “high” effectiveness ratings for implementation of terrorist financing and proliferation financing sanctions equalled only by the UK and US
- Measures to deal with prior failings resolved - audit function, enhanced measures for higher risk customers and “up to 6” directorships licensing exemption

Some private sector highlights

- TCSPs “showcased” a well-developed terrorist financing risk understanding
 - Banks have sophisticated client on boarding controls
 - Beneficial ownership obligations well understood and effectively implemented by banks and TCSPs
 - Source of wealth and funds checks consistently undertaken
 - TCSPs’ due diligence described as “effective risk mitigating measures”
 - Mature measures to manage risks posed by foreign PEPs
 - Robust internal controls and compliance functions properly structured and resourced
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Recommendations

- Minimal changes to the Handbook identified
- No changes required to directorship exemptions
- No intention to “goldplate” regulations or our supervisory activities in response



Suspicious activity reports (“SARs”)

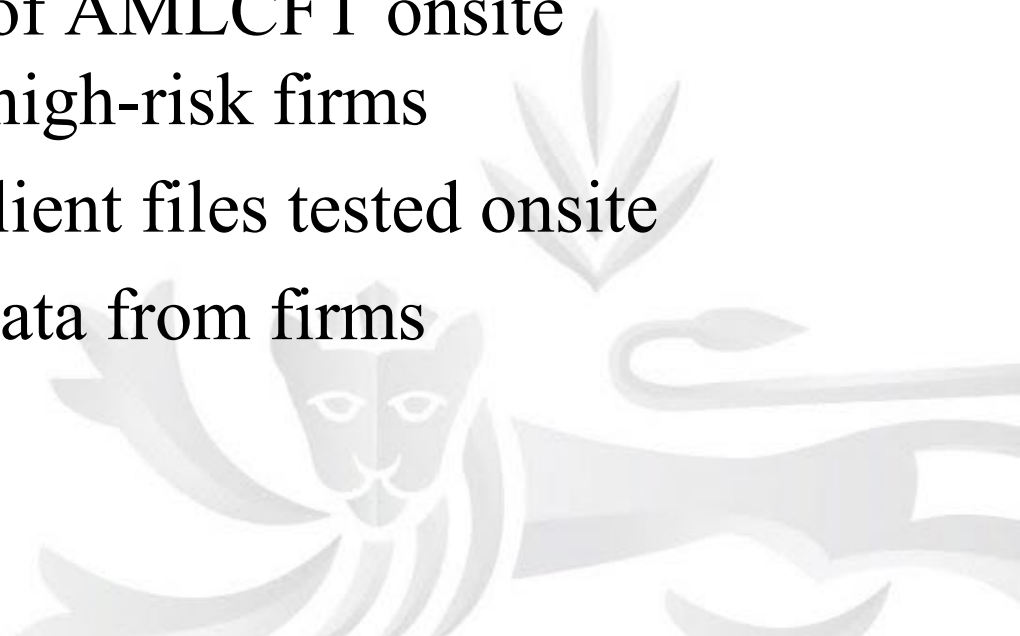
“The authorities should intensify their actions to address through guidance, supervision and enforcement under-reporting and improve the quality and relevance of SARs for high risk and material sectors.” (Exec Summary & IO4)

Through:

Guidance with a focus on tax and corruption related SARs, and attempted transactions, complemented by supervisory and enforcement initiatives.

Enhance risk-based AMLCFT supervision

- Recalibrate thresholds for assessing firms' financial crime risks
- Increase the frequency of AMLCFT onsite inspections to medium high-risk firms
- Expand the sample of client files tested onsite
- Collect more granular data from firms



Effectiveness recommendations – BAU opportunities

- Reporting suspicion
 - Simplified CDD – investment sector
 - Complex structures – investment and TCSP sectors
 - Beneficial ownership – investment sector
 - Continue efforts to raise money laundering and terrorist financing risk understanding & typologies
 - Supervision of sanctions compliance
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Postscript

- Next evaluation likely to be early 2030s
- Changes to the FATF standards
- Entering a new round of evaluations



Thank you

