

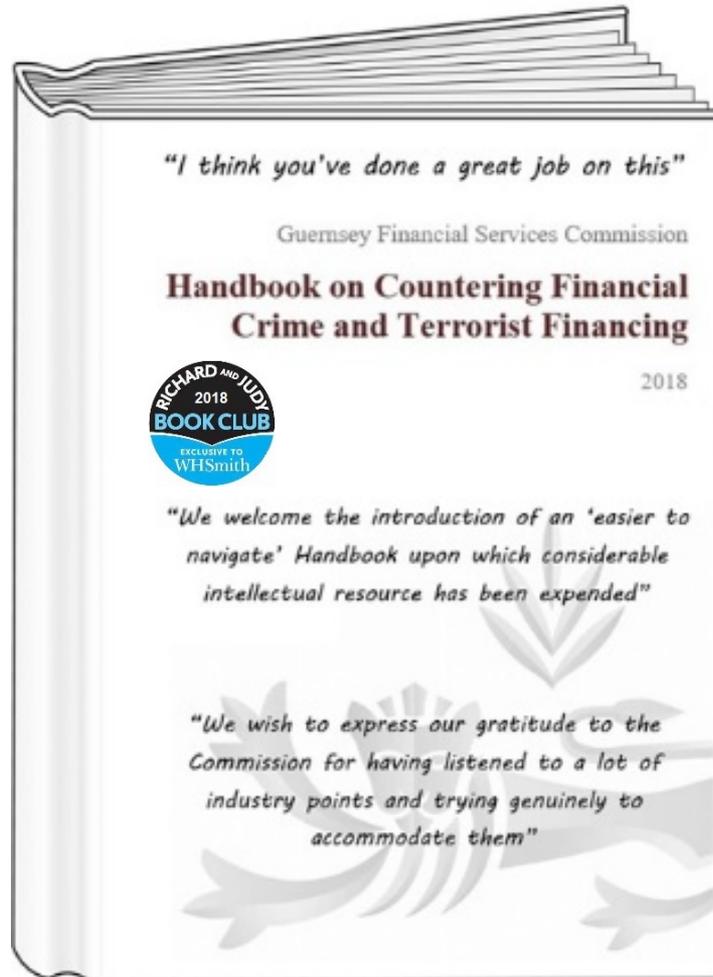


Guernsey Financial
Services Commission

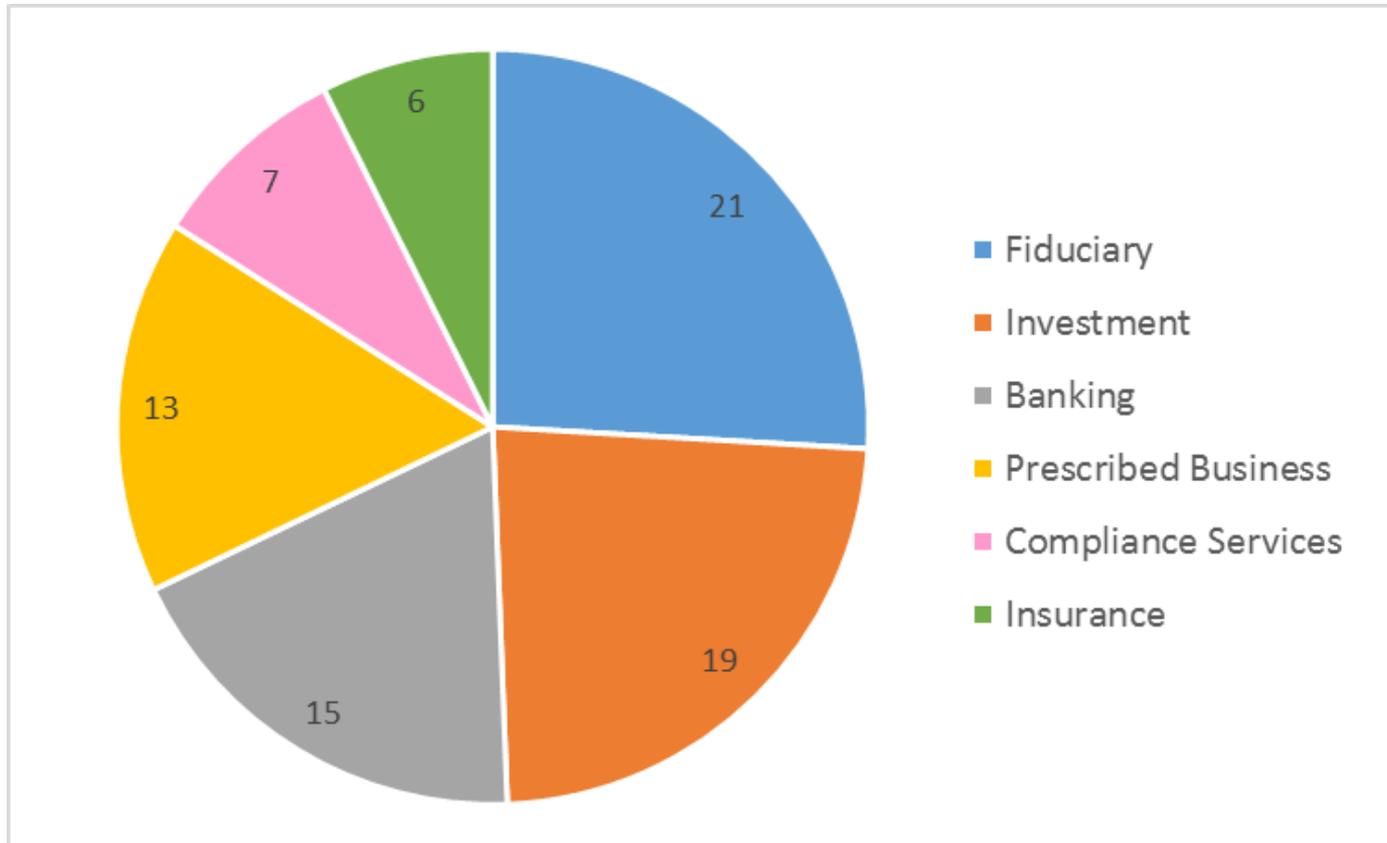
Financial Crime Policy and Supervision Division

Fiona Crocker, Director

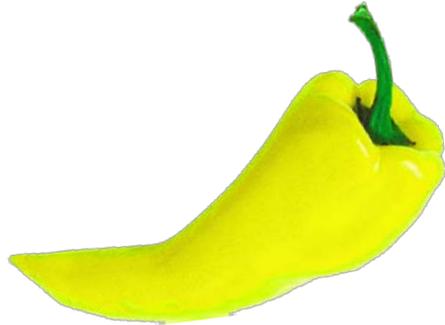
Nick Herquin, Deputy Director



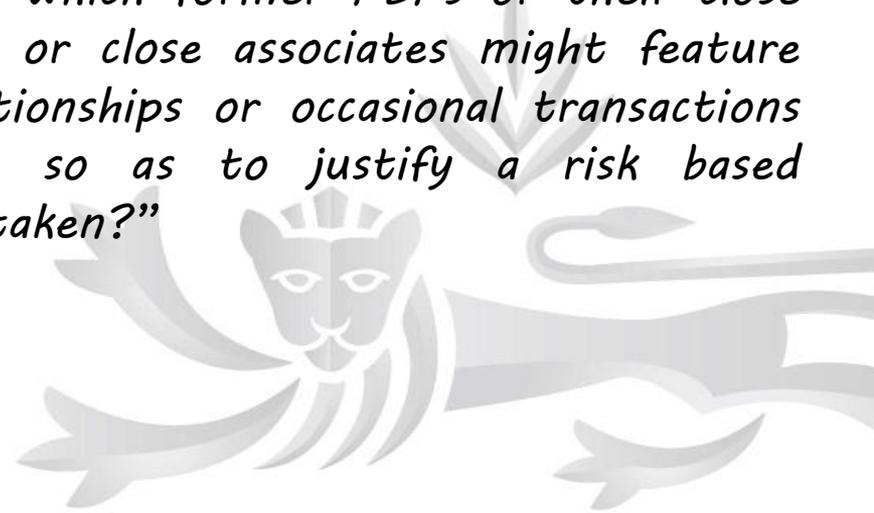
Responses by Sector



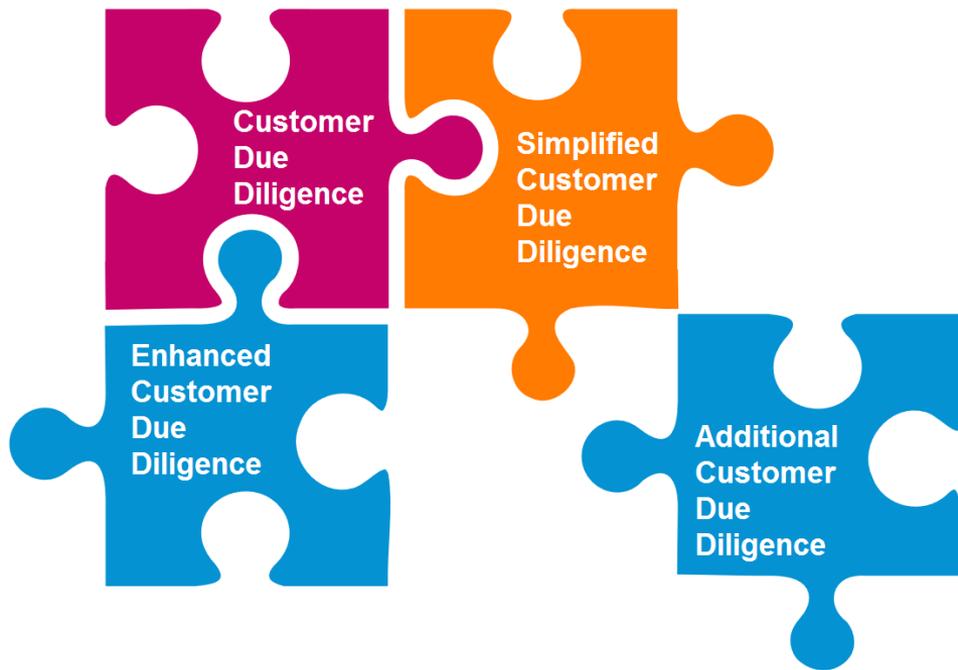
PEPs – We Asked...



“Based on evidence arising from ML and/or FT risk in the Bailiwick, are there any specific circumstances in which former PEPs or their close family members or close associates might feature in business relationships or occasional transactions in such a way so as to justify a risk based approach being taken?”



Additional Customer Due Diligence



- Non-Resident Customer
- Customer Provided with Private Banking Services
- Customer is an Asset Holding Vehicle
- Customer with Nominee Shareholders or the Ability to Issue Bearer Shares

Compliance Arrangements

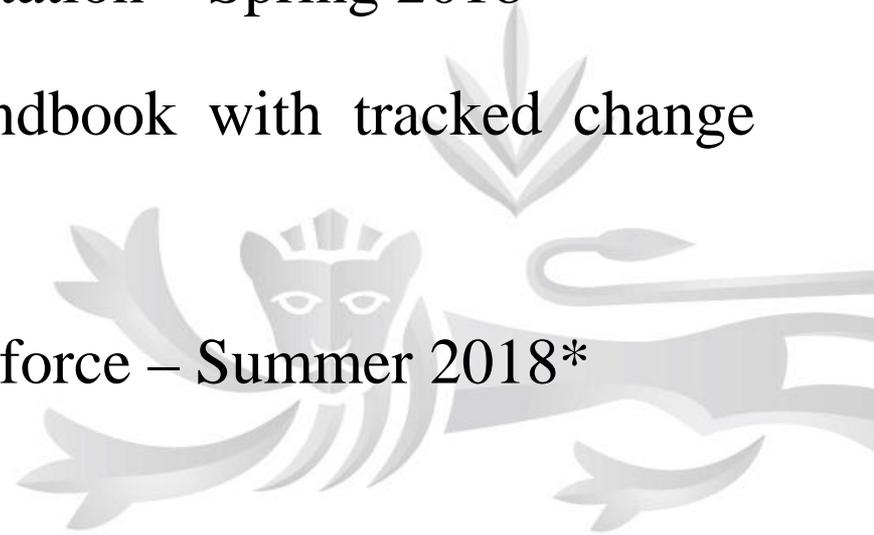
- Compliance Officer
- Reporting Officer
- Regulatory Compliance Officer



AML/CFT Handbook – Next Steps

- Engage with industry via sector associations – Q4 2017 and Q1 2018
- Issue detailed feedback on consultation – Spring 2018*
- Publish final edition of the Handbook with tracked change version – Spring 2018*
- Revised Legislation and Rules in force – Summer 2018*

*Timings approximate



Guidance and Feedback



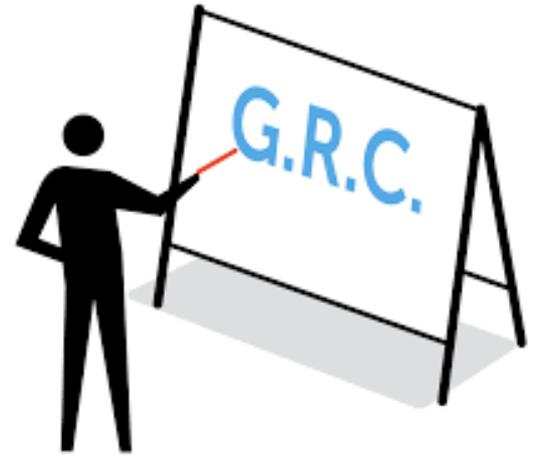
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Financial Crime Governance, Risk and Compliance

Thematic Reviews of:
Fund Administrators and
Fund Managers in 2016/17

Report available at www.gfsc.gg



Regulatory Self-Assurance

- How does your firm's CMP focus on the areas which the Board perceive to cause the greatest risk to the business?
- How does your firm ensure that it has effective and proportionate policies, procedures and controls to monitor sanctions and adverse media?
- How does your Board demonstrate and record compliance with AML/CFT legislation?
- What controls does your firm have in place to ensure that the MLRO is making SARs on a timely basis?



Mitigation of identified risks

How does your compliance monitoring programme focus on the areas which the Board perceive to cause the greatest risk to the business?

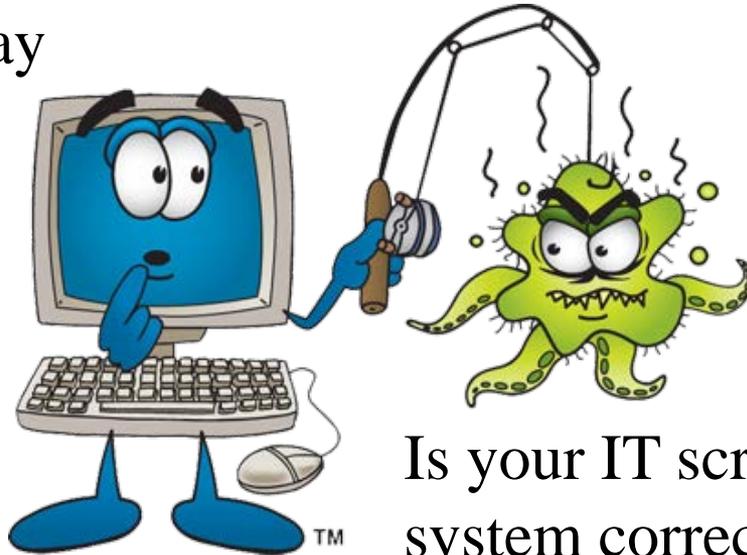
“Bribes can often be disguised as commissions or consulting fees”



Sanctions, Payments and Adverse Media Screening



Beware – IT Issues may render your screening system ineffective.



Is your IT screening system correctly configured?

Board Oversight

- How do you demonstrate and record compliance with AML/CFT legislation?
- What controls does your firm have in place to ensure that the MLRO is making suspicious activity reports on a timely basis?



Salarie Financial Services – Season 2



No inference should be drawn from this production about the way the Commission enforces. Salarie Financial Services is purely a hypothetical firm we use to convey supervisory messages.