

**MONTSERRAT**  
**STATUTORY RULES AND ORDERS**  
**S.R.O. 12 OF 2024**

**ANTI-MONEY LAUNDERING AND**  
**TERRORIST FINANCING REGULATIONS 2024**

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**ANTI-MONEY LAUNDERING AND TERRORIST FINANCING  
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**THE ANTI-MONEY LAUNDERING AND TERRORIST FINANCING  
REGULATIONS 2024 MADE BY THE GOVERNOR ACTING ON THE  
ADVICE OF CABINET UNDER SECTION 183 OF THE PROCEEDS  
OF CRIME ACT (CAP. 4.04).**

**PART 1—PRELIMINARY**

**1 Short title and commencement**

These Regulations may be cited as the Anti-Money Laundering and Terrorist Financing Regulations, 2024.

**2 Interpretation**

In these Regulations—

“**Act**” means the Proceeds of Crime Act;

“**bank**” means a person that carries on banking business within the meaning of the Banking Act or international banking business within the meaning of the International Banking and Trust Companies Act, whether or not that business is carried on in or from within Montserrat;

“**beneficial owner**” has the meaning specified in the Dictionary;

“**branch**” includes a representative or contact office;

“**business relationship**” means a business, professional or commercial relationship between a service provider and a customer which is expected by the service provider, at the time when contact is established, to have an element of duration;

“**cash**” means—

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(a) notes and coins;

(b) postal orders; or

(c) travellers' cheques; in any currency;

**“Code”** means the Anti-money Laundering and Terrorist Financing Code issued by the Commission under section 184 of the Act;

**“Commission”** means the Financial Services Commission established under the Financial Services Commission Act;

**“company”** has the meaning specified in the Companies Act 2023;

**“corporate body”**—

(a) includes—

(i) a company;

(ii) a body corporate other than a company that is incorporated in Montserrat; and

(iii) a body corporate constituted under the law of a country other than Montserrat;

(b) does not include—

(i) a corporation sole;

(ii) a limited partnership; or

(iii) a partnership that, whether or not a legal person, is not considered to be a corporate body under the law by which it is governed;

**“correspondent banking relationship”** has the meaning specified in the Dictionary;

**“customer”** includes a prospective customer;

**“customer due diligence measures”** has the meaning specified in the Dictionary;

**“Dictionary”** means the Dictionary contained in Schedule 1;

**“director”**, in relation to a legal entity, means a person appointed to direct the affairs of the legal entity and includes—

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- (a) a person who is a member of the board of the legal entity; and
- (b) a person who, in relation to the legal entity, occupies the position of director, by whatever name called;

**“domestic politically exposed person”** has the meaning specified in the Dictionary;

**“enhanced customer due diligence measures”** has the meaning specified in the Dictionary;

**“FATF Recommendations”** means the FATF Recommendations issued by the FATF in February 2012, together with the Interpretive Notes, Glossary and Methodology, incorporating such amendments as may from time-to-time be made to the Recommendations, or such document or documents issued by the FATF as may supersede those Recommendations;

**“financial institution”** has the meaning specified in the Dictionary;

**“foreign listed entity”** means a legal entity incorporated, formed or constituted outside Montserrat which—

- (a) if a company, would be a listed company; or
- (b) in the opinion of the Commission, is subject to disclosure and transparency rules that are—
  - (i) contained in international standards; and
  - (ii) equivalent to those applicable to a listed company;”

**“foreign politically exposed person”** has the meaning specified in the Dictionary;

**“foreign regulated person”** has the meaning specified in the Dictionary;

**“foreign regulatory authority”**, means an authority in a jurisdiction outside Montserrat which exercises in that jurisdiction supervisory functions substantially corresponding to those of the Commission or the supervisory authority for non-financial service

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providers, with respect to enforcing compliance with the Act, these Regulations and the Code;

**“foundation”** means a foundation or similar entity or arrangement, wherever established;

**“foundation council”** means the governing body of a foundation;

**“group”** has the meaning specified in the Dictionary;

**“high value dealer”** has the meaning specified in the Dictionary;

**“holding entity”** has the meaning specified in the Dictionary;

**“identification information”** refers to information to be provided under paragraph 16, 18, 21, 23 or 25 of the Code;

**“independent legal professional”** means a firm or sole practitioner who, by way of business, provides legal or notarial services to other persons, when preparing for or carrying out transactions for a customer in relation to—

- (a) the buying and selling of real estate or business entities;
- (b) the managing of client money, securities or other assets;
- (c) the opening or management of bank, savings or securities accounts;
- (d) the organisation of contributions necessary for the creation, operation or management of companies;
- (e) the creation, operation or management of trusts, companies or other legal persons or arrangements, excluding any activity that requires a trust company licence under the International Banking and Trust Companies Act or the Company Management Act; or
- (f) the buying and selling of business entities;

**“intermediary”** means a person who has or seeks to establish a business relationship or to carry out an occasional transaction on behalf of his customer with a service

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provider, so that the intermediary becomes a customer of the service provider;

**“introducer”** means a person who has a business relationship with a customer and who introduces that customer to a service provider with the intention that the customer will form a business relationship or conduct an occasional transaction with the service provider so that the introducer’s customer also becomes a customer of the service provider;

**“legal entity”** includes a company, a foundation, a partnership, whether limited or general, an association or an unincorporated body of persons, but does not include a trust;

**“listed company”** has the meaning specified in the Companies Act;

**“Money Laundering Compliance Officer”** means the person appointed by a service provider as its compliance officer under regulation 18;

**“money laundering disclosure”** means a disclosure under section 122 or 123 of the Act;

**“Money Laundering Reporting Officer”** means the person appointed by a service provider under regulation 20;

**“NFSP Register”** means the register of non-financial service providers established and kept in accordance with regulation 23;

**“NFSP supervisor”** means the supervisory authority for non-financial service providers prescribed in regulation 22;

**“non-financial service provider”** means a service provider that is not a regulated service provider;

**“occasional transaction”** has the meaning specified in the Dictionary;

**“ongoing monitoring”** has the meaning specified in the Dictionary;

**“politically exposed person”** has the meaning specified in the Dictionary;



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“**recognised exchange**” has the meaning specified in the Dictionary;

“**regulated person**” means a person who holds a regulatory licence;

“**regulatory licence**” has the meaning specified in the Dictionary;

“**relevant business**” means a business which, if carried on by a person, would result in that person being a service provider;

“**service provider**” has the meaning specified in the Dictionary;

“**shell bank**” has the meaning specified in the Dictionary;

“**sole trader**” means an individual carrying on a relevant business who does not in the course of doing so—

(a) employ any other person; or

(b) act in association with any other person;

“**subsidiary**” has the meaning specified in the Dictionary;

“**third party**” means a person for whom a customer is acting;

“**trust and company service provider**” has the meaning specified in the Dictionary;

“**virtual asset**” has the meaning specified in the Virtual Assets Business Act 2023 (No. 10 of 2023);

“**virtual asset service provider**” means a person who is licensed to operate or offer virtual asset business under the Virtual Assets Business Act 2023 (No. 10 of 2023).

### 3 Application of Regulations and Code outside Montserrat

(1) For the purposes of this regulation, “**Montserrat financial institution**” means a financial institution that is—

(a) a company incorporated in Montserrat;

(b) a partnership based in Montserrat;

(c) an individual resident in Montserrat; or

(d) any other person having its principal or head office in Montserrat.

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- (2) Subject to subregulations (3), (4) and (5), a Montserrat financial institution that has a branch located in, or a subsidiary incorporated in, a country outside Montserrat shall, to the extent that the laws of that country permit—
  - (a) comply with these Regulations and the Code in respect of any business carried on through the branch; and
  - (b) ensure that these Regulations and the Code are complied with by the subsidiary with respect to any business that it carries on.
- (3) A Montserrat financial institution shall have particular regard to ensure that subregulation (2) is complied with if the country in which its branch or subsidiary is located is a country—
  - (a) which does not apply, or insufficiently applies, the FATF Recommendations; or
  - (b) against which the FATF calls for countermeasures.
- (4) If the country in which a branch or subsidiary of a Montserrat financial institution is situated has more stringent standards with respect to the prevention of money laundering and terrorist financing than are provided for in these Regulations and the Code, the relevant Montserrat financial institution shall ensure that the more stringent requirements are complied with by its branch or subsidiary.
- (5) If the laws of a country outside Montserrat do not permit a branch or subsidiary of a Montserrat financial institution to comply with subregulation (2), the Montserrat financial institution shall—
  - (a) notify the supervisory authority in writing; and
  - (b) to the extent that the laws of the foreign country permit, apply alternative measures to ensure compliance with the FATF Recommendations and to deal effectively with the risk of money laundering and terrorist financing.

**4 Prescribed service providers under Part 10 of Act**

Financial institutions are prescribed as prescribed service providers for the purposes of Part 10 of the Act.

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**PART 2—CUSTOMER DUE DILIGENCE**

**5 Customer due diligence measures and ongoing monitoring**

- (1) Subject to subregulations (8) and (9), a service provider shall apply customer due diligence measures—
- (a) before the service provider establishes a business relationship or carries out an occasional transaction;
  - (b) if the service provider—
    - (i) suspects money laundering or terrorist financing; or
    - (ii) doubts the veracity or adequacy of documents, data or information previously obtained under its customer due diligence measures or when conducting ongoing monitoring; and
  - (c) to existing customers—
    - (i) if the service provider becomes aware that any circumstances of the customer that are material to its risk assessment for that customer have changed;
    - (ii) at other appropriate times as determined on a risk-sensitive approach.
- (2) For the purposes of subregulation (1)(c), in determining when it is appropriate to apply customer due diligence measures to existing customers, a service provider must take into account—
- (a) any indication that the identity of the customer, or of the beneficial owner of the customer, has changed;
  - (b) any transactions which are not reasonably consistent with the service provider's knowledge of the customer;
  - (c) any change in the purpose or intended nature of the service provider's relationship with the customer;
  - (d) any other matter which might affect the service provider's assessment of the money laundering or terrorist financing risk with respect to the customer.
- (3) Without limiting subregulations (1)(b)(ii) and (1)(c), a service provider shall obtain identification information when there is a change in the—
- (a) identification information of a customer;

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- (b)* beneficial ownership of a customer; or
  - (c)* third parties, or the beneficial ownership of third parties.
- (4)** A service provider shall ensure that all appropriate staff, including the Money Laundering Compliance Officer and the Money Laundering Reporting Officer have timely access to all customer identification information records, other customer due diligence information and all other relevant information, for the purpose of performing their functions.
- (5)** A service provider shall conduct ongoing monitoring of a business relationship.
- (6)** In applying customer due diligence measures and conducting ongoing monitoring, a service provider shall—
  - (a)* assess the risk that any business relationship or occasional transaction involves, or will involve, money laundering or terrorist financing, depending upon the type of customer, business relationship, product or transaction;
  - (b)* be able to demonstrate to the supervisory authority—
    - (i)* that the extent of the customer due diligence measures applied in any case is appropriate having regard to the circumstances of the case, including the risks of money laundering and terrorist financing; and
    - (ii)* that it has obtained appropriate information to carry out the risk assessment required under paragraph *(a)*.
- (7)** A service provider may complete the verification of the identity of a customer, third party or beneficial owner after the establishment of a business relationship if—
  - (a)* it is necessary not to interrupt the normal conduct of business;
  - (b)* there is a low risk of money laundering and terrorist financing;
  - (c)* the risk of money laundering and terrorist financing can and will be effectively managed; and
  - (d)* verification of identity is completed as soon as reasonably practicable after contact with the customer is first established.
- (8)** The verification of the identity of a bank account holder may take place after the bank account has been opened provided that, there

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are adequate safeguards in place to ensure that, before verification has been completed—

- (a)* the account is not closed; and
  - (b)* transactions are not carried out by or on behalf of the account holder, including any payment from the account to the account holder.
- (9)** A service provider must not permit a customer to utilise a business relationship prior to verification unless the service provider has adopted risk management procedures concerning the conditions under which the business relationship may be used.
- (10)** A service provider is not required to continue to apply due diligence measures under this regulation if—
- (a)* the service provider has applied due diligence measures with respect to a customer, third party or beneficial owner;
  - (b)* the service provider—
    - (i)* suspects money laundering or terrorist financing and reasonably believes that continuing to apply due diligence measures would tip-off the customer, third party or beneficial owner; or
    - (ii)* makes a money laundering disclosure or a terrorist financing disclosure;
  - (c)* continuing to apply customer due diligence measures in relation to that customer, third party or beneficial owner would result in the commission of an offence by the service provider under—
    - (i)* section 125 of the Act;
    - (ii)* any counter terrorism or terrorist financing laws; or
    - (iii)* any Order in Council issued by the United Kingdom relating to counter terrorism or terrorist financing.
- (11)** A service provider who is a real estate agent shall, when acting in relation to a transaction concerning the buying and selling of real estate, apply customer due diligence measures to the purchaser and the vendor of the real estate, regardless of which party the service provider acts.

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(12) A service provider that contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$100,000.

**6 Requirement to cease transaction or terminate relationship**

- (1) If a service provider is unable to apply customer due diligence measures before the establishment of a business relationship or before the carrying out of an occasional transaction in accordance with these Regulations, the service provider shall not establish the business relationship or carry out the occasional transaction.
- (2) If regulation 5(7) or (8) apply and a service provider is unable to complete the verification of the identity of a customer, third party or beneficial owner after the establishment of a business relationship, the service provider shall terminate the business relationship with the customer.
- (3) If a service provider is unable to undertake ongoing monitoring with respect to a business relationship, the service provider shall terminate the business relationship.
- (4) If subregulation (1), (3) or (4) applies with respect to a service provider, the service provider shall consider whether he is required to make a money laundering disclosure or a terrorist financing disclosure.
- (5) Subregulations (1), (3) and (4) do not apply if the service provider is an independent legal professional and is in the course of ascertaining the legal position for his client or performing the task of defending or representing the client in, or concerning, legal proceedings, including advice on the institution or avoidance of proceedings.
- (6) If the service provider has made a money laundering or terrorist financing disclosure, subregulations (1), (2) and (3) do not apply to the extent that the service provider is acting—
  - (a) in the case of a money laundering disclosure, with the consent or deemed consent of the Financial Intelligence Unit; or
  - (b) in the case of a terrorist financing disclosure made under the Anti-terrorist Financing Order, with the consent of a constable, if such consent may lawfully be given.
- (7) A service provider who contravenes this regulation commits an offence and is liable on summary conviction to a fine of \$100,000.

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**7 Enhanced customer due diligence and ongoing monitoring**

- (1) A service provider shall, on a risk-sensitive basis, apply enhanced due diligence measures and undertake enhanced ongoing monitoring—
- (a) if the customer has not been physically present for identification purposes;
  - (b) if the service provider has, or proposes to have, a business relationship with, or proposes to carry out an occasional transaction with, a person connected with a country—
    - (i) that does not apply, or insufficiently applies the FATF Recommendations; or
    - (ii) against which the FATF calls for countermeasures;
  - (c) if the service provider is a bank which holds a banking licence granted under the Banking Act that has or proposes to have a banking or similar relationship with an institution whose address for that purpose is outside Montserrat;
  - (d) if the service provider has or proposes to have a business relationship with, or to carry out an occasional transaction with, a foreign politically exposed person or a family member or close associate of a foreign politically exposed person;
  - (e) if any of the following is a foreign politically exposed person or a family member or close associate of a foreign politically exposed person—
    - (i) a beneficial owner of the customer;
    - (ii) a third party for whom a customer is acting;
    - (iii) a beneficial owner of a third party described in subparagraph (ii);
    - (iv) a person acting, or purporting to act, on behalf of the customer;
  - (f) in any other situation which by its nature can present a higher risk of money laundering or terrorist financing.
- (2) A service provider who contravenes this regulation commits an offence and is liable on summary conviction to a fine of \$100,000.

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**8 Additional customer due diligence measures and ongoing monitoring**

- (1) As soon as a beneficiary of a life insurance or other investment related insurance policy has been identified or designated, a service provider shall—
  - (a) if the beneficiary is a named person or legal arrangement, take the full name of the person or arrangement;
  - (b) if the beneficiary is designated by specified characteristics, as a class or in any other way, obtain sufficient information about the beneficiary to satisfy itself that it will be able to establish the identity of the beneficiary before any payment is made under the insurance policy.
- (2) A service provider must verify the identity of a beneficiary referred to in subregulation (1) before any payment is made under the insurance policy.
- (3) If a service provider provides a life insurance or other investment related insurance policy, the service provider must consider the nature and identity of the beneficiary of the policy when assessing—
  - (a) whether there is a higher risk of money laundering or terrorist financing;
  - (b) whether it should apply enhanced customer due diligence measures and enhanced monitoring; and
  - (c) if the service provider assesses that there is a higher risk of money laundering or terrorist financing, the extent of the measures which should be taken to manage and mitigate that risk.
- (4) If the beneficiary of a life insurance policy or other investment related insurance policy—
  - (a) is a legal person or a legal arrangement; and
  - (b) the service provider assesses that the beneficiary presents a higher risk of money laundering or terrorist financing,the service provider must take reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary before any payment is made under the policy.



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- (5) In relation to a life insurance policy or other investment related insurance policy, a service provider shall take reasonable measures to determine whether—
  - (a) any beneficiary of the insurance policy; or
  - (b) a beneficial owner of a beneficiary of the insurance policy, is a politically exposed person or a family member or close associate of a politically exposed person.
- (6) The measures required by subregulation (5) must be taken before a payout is made under the policy.
- (7) A service provider must, in addition to the measures required by regulation 5—
  - (a) ensure that—
    - (i) its board or senior management are informed before payment is made of any sums under an insurance policy, if the beneficiary of such policy is a politically exposed person or a family member or close associate of a politically exposed person; and
    - (ii) its entire business relationship with the holder of the insurance policy is subject to enhanced scrutiny on an ongoing basis; and
  - (b) consider making a suspicious activity report.

**9 Reliance on introducers and intermediaries**

- (1) Subject to these Regulations and any requirements in the Code, a service provider may rely on an introducer or an intermediary to apply customer due diligence measures with respect to a customer, third party or beneficial owner, if—
  - (a) the introducer or intermediary is a regulated service provider or a foreign regulated person; and
  - (b) the introducer or intermediary consents to being relied on.
- (2) Before relying on an introducer or intermediary to apply customer due diligence measures with respect to a customer, third party or beneficial owner, a service provider shall obtain adequate assurance in writing from the intermediary or introducer—

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- (a)* has applied the customer due diligence measures on which the service provider intends to rely;
  - (b)* is required to keep, and does keep, a record of the evidence of identification and other relevant documentation relating to the customer due diligence measures applied by the intermediary or introducer in relation to each customer, third party or beneficial owner;
  - (c)* will, without delay, provide the documentation and evidence referred to in paragraph *(b)*, to the service provider at the service provider's request; and
  - (d)* will, without delay, provide the documentation and evidence referred to in paragraph *(b)* for provision to the supervisory authority, when requested by the supervisory authority.
- (3)** A service provider—
  - (a)* before relying on an introducer or intermediary, shall consider the level of country risk for the country in which the introducer or intermediary is established; and
  - (b)* shall not rely on an introducer or intermediary if the introducer or intermediary is established in a country—
    - (i)* that is subject to any warnings issued by the Financial Intelligence Unit or the Commission that indicates the country presents a high risk of money laundering or terrorist financing, or
    - (ii)* the service provider, whether as a result of its own risk assessment carried out under paragraph 4 of the Code or otherwise, has reason to believe presents a high risk of money laundering or terrorist financing.
- (4)** If a service provider relies on an introducer or an intermediary to apply customer due diligence measures in respect of a customer, third party or beneficial owner, the service provider shall immediately obtain from the introducer or intermediary, the customer due diligence information required to comply with the requirements of these Regulations and the Code concerning the customer, third party or beneficial owner.
- (5)** If a service provider relies on an introducer or intermediary to apply customer due diligence measures, the service provider remains liable for any failure to apply those measures.

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- (6) This regulation does not prevent a service provider from applying customer due diligence measures by means of an outsourcing service provider or agent provided that, the service provider remains liable for any failure to apply such measures.

**10 Simplified due diligence**

- (1) A service provider may apply simplified customer due diligence measures in relation to a particular business relationship or transaction if it determines that the business relationship or transaction presents a low degree of risk of money laundering and terrorist financing, having taken into account—
- (a) the risk assessment carried out by the service provider under paragraph 4 of the Code;
  - (b) any relevant warnings, information, advice or guidance issued by the Financial Intelligence Unit or the Commission concerning the risks of money laundering and terrorist financing affecting Montserrat or, in relation to warnings, information, advice or guidance relevant to any part of the financial sector in Montserrat, issued by the relevant supervisory authority; and
  - (c) the matters specified in subregulation (2).
- (2) In assessing whether a particular relationship or transaction presents a low risk of money laundering and terrorist financing and the extent to which it is appropriate to apply simplified due diligence measures, service provider must—
- (a) take account of all relevant risks, including—
    - (i) customer risk;
    - (ii) product and transaction risk;
    - (iii) delivery risk;
    - (iv) country risk; and
  - (b) comply with the requirements of the Code.
- (3) A service provider that applies simplified due diligence procedures must—
- (a) continue to comply with the requirements of regulation 5, but may adjust the extent, timing or type of the measures it

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- undertakes to the extent justified by its determination under subregulation (1);
- (b) carry out sufficient monitoring of any business relationships or transactions to which it has applied simplified due diligence measures to enable it to detect any unusual or suspicious transactions; and
  - (c) maintain and retain adequate documentation to demonstrate that this regulation applies.
- (4) A service provider must not apply simplified due diligence measures with respect to—
- (a) any third party for whom the customer may be acting; or
  - (b) the beneficial owners of such a third party.
- (5) A service provider must not continue to apply simplified due diligence measures if—
- (a) it doubts the adequacy, veracity or accuracy of any documents, data or information previously obtained under its customer due diligence measures or when conducting ongoing monitoring;
  - (b) its risk assessment changes and it considers that there is no longer a low risk of money laundering and terrorist financing;
  - (c) it suspects money laundering or terrorist financing; or
  - (d) any of the matters set out in regulation 7(1)(b) to (f) apply.

**11 Shell banks**

- (1) A financial institution—
- (a) shall not enter into or continue a correspondent banking relationship with a shell bank; and
  - (b) shall take appropriate enhanced measures to satisfy itself that it is not entering into, or continuing, a correspondent relationship with a credit institution or financial institution which allows its accounts to be used by a shell bank.
- (2) A financial institution that contravenes subregulation (1) commits an offence and is liable on summary conviction, to a fine of \$100,000.

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**12 Anonymous and numbered accounts**

- (1) A service provider shall not set up or maintain a numbered account, an anonymous account or an account in a name which it knows, or has reasonable grounds to suspect, is fictitious.
- (2) A service provider that contravenes subregulation (1) commits an offence and is liable on summary conviction, to a fine of \$100,000.

**PART 3—SYSTEMS AND CONTROLS, RECORDS AND TRAINING**

**13 Policies, systems and controls**

- (1) For the purposes of this regulation—
  - (a) “**scrutiny**” includes scrutinising the background and purpose of transactions and activities; and
  - (b) “**transaction**” means any of the following—
    - (i) an occasional transaction;
    - (ii) a transaction within an occasional transaction; or
    - (iii) a transaction undertaken within a business relationship.
- (2) Subject to subregulation (6), a service provider shall establish, maintain and implement appropriate risk-sensitive policies, systems and controls to prevent and detect money laundering and terrorist financing, including policies, systems and controls relating to—
  - (a) customer due diligence measures and ongoing monitoring;
  - (b) the reporting of disclosures;
  - (c) record-keeping;
  - (d) the screening of employees;
  - (e) internal controls;
  - (f) risk assessment and management; and
  - (g) the monitoring and management of compliance with, and the internal communication of, its policies, systems and controls to prevent and detect money laundering and terrorist financing, including those specified in paragraphs (a) to (f).

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- (3) The policies, systems and controls referred to in subregulation (2) must include policies, systems and controls which provide for—
- (a) the identification and scrutiny of—
    - (i) complex or unusually large transactions;
    - (ii) unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
    - (iii) any other activity which the service provider regards as particularly likely, by its nature, to be related to the risk of money laundering or terrorist financing;
  - (b) the taking of additional measures, where appropriate, to prevent the use of products and transactions which are susceptible to anonymity for money laundering or terrorist financing;
  - (c) the receipt by branches and subsidiaries of customer, account, and transaction information from group level compliance, audit, and anti-money laundering and anti-terrorist financing functions when necessary for anti-money laundering and anti-terrorist financing purposes; and
  - (d) determining whether—
    - (i) a customer, any third party for whom the customer is acting and any beneficial owner of the customer or third party, is a politically exposed person or a family member or close associate of a politically exposed person;
    - (ii) a business relationship or transaction, or proposed business relationship or transaction, is with a person connected with a country that does not apply, or insufficiently applies, the FATF Recommendations or against which the FATF calls for countermeasures; or
    - (iii) a business relationship or transaction, or proposed business relationship or transaction, is with a person connected with a country that is subject to measures for purposes connected with the prevention and detection of money laundering or terrorist financing, imposed by one or more countries or sanctioned by the European Union or the United Nations.
- (4) A service provider with any subsidiary or branch that carries on a relevant business shall communicate to that subsidiary or branch,

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whether in or outside Montserrat, the service provider's policies and procedures maintained in accordance with this regulation.

- (5) A service provider shall—
- (a) maintain adequate procedures for monitoring and testing the effectiveness of
    - (i) the policies and procedures maintained under this regulation; and
    - (ii) the training provided under regulation 17; and
  - (b) ensure that, if weaknesses or inadequacies are identified, the policies and procedures are enhanced as necessary.
- (6) A sole trader is not required to maintain policies and procedures relating to internal reporting, screening of employees and the internal communication of such policies and procedures.
- (7) A service provider who contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$50,000.

**14 Group-level money laundering policies, procedures, systems and controls**

- (1) A service provider that is a holding entity shall—
- (a) ensure that the policies, procedures, systems controls required under regulation 13(2) and specified in Part 2 of the Code apply—
    - (i) to all its subsidiary entities, whether located in or outside Montserrat;
    - (ii) to any branches that it has established in or outside Montserrat;which carry on any activity in respect of which the service provider is subject to these Regulations;
  - (b) establish and maintain the policies, procedures, systems and controls referred to in paragraph (a) throughout its group;
  - (c) regularly review and update the policies, procedures, systems and controls applied and established under paragraphs (a) and (b);
  - (d) maintain a record in writing of—

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- (i) the policies, procedures, systems and controls established under paragraphs (a) and (b);
  - (ii) any changes to those policies, procedures, systems and controls made as a result of the review and update required by paragraph (c); and
  - (iii) the steps taken to communicate those policies, procedures, systems and controls, or any changes to them, to subsidiary entities and branches within the group.
- (2) Without limiting subregulation (1)(a), the policies, procedures, systems and controls must cover—
- (a) the sharing of information required for the purposes of customer due diligence, ongoing monitoring and risk management;
  - (b) the provision at group-level compliance, audit, and anti-money laundering and anti-terrorist financing functions, of customer, account, and transaction information from branches and subsidiaries when necessary for anti-money laundering and anti-terrorist financing purposes, including information and analysis, if any, of transactions or activities which appear unusual;
  - (c) the provision by group-level compliance, audit, and anti-money laundering and anti-terrorist financing functions, of the information specified in paragraph (b), to branches and subsidiaries when relevant and appropriate to risk management; and
  - (d) adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

**15 Records required to be kept**

- (1) Subject to subregulation (4), a service provider shall keep the records specified in subregulation (2) and such additional records as may be specified in the Code—
- (a) in a form that enables them to be made available on a timely basis, when lawfully required, to the supervisory authority, the Financial Intelligence Unit, or law enforcement authorities in Montserrat; and



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- (b) for at least the period specified in regulation 16.
- (2) For the purpose of subregulation (1), the records a service provider shall keep are—
- (a) a copy of the evidence of identity obtained pursuant to the application of customer due diligence measures or ongoing monitoring, or information that enables a copy of such evidence to be obtained;
  - (b) the supporting documents, data or information that have been obtained in respect of a business relationship or occasional transaction which is the subject of customer due diligence measures or ongoing monitoring;
  - (c) a record containing details relating to each transaction carried out by the service provider in the course of any business relationship or occasional transaction;
  - (d) all account files;
  - (e) all correspondence relating to a business relationship or an occasional transaction; and
  - (f) the results of any analysis undertaken—
    - (i) arising from the application of customer due diligence measures;
    - (ii) of transactions undertaken; or
    - (iii) concerning any other matter relevant to the service provider’s obligations under these Regulations or the Code.
- (3) The record to which subregulation (2)(c) refers must include sufficient information to enable the reconstruction of individual transactions.
- (4) A service provider who is relied on by another person in accordance with these Regulations shall keep the records specified in subregulation (2)(a) for the period of five years beginning on the date on which he is relied on in relation to any business relationship or occasional transaction.
- (5) If a service provider (the “first service provider”) is an introducer or intermediary and has given the assurance that is required under regulation 9(2) to another service provider (the “second service provider”), the first service provider shall make available to the

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second service provider, at the second service provider's request, a copy of the evidence of identification that the first service provider is required to keep under this regulation, such evidence being the evidence that is referred to in regulation 9(2).

- (6) Subregulations (4) and (5) do not apply if a service provider applies customer due diligence measures by means of an outsourcing service provider or agent.
- (7) For the purposes of this regulation, a service provider relies on another service provider if he does so in accordance with regulation 9.
- (8) A service provider who contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$50,000.

**16 Period for which records must be kept**

- (1) Subject to subregulation (2), the period specified for the purposes of regulation 15 is five years beginning on—
  - (a) in the case of the records specified in regulation 15(2)(a), the date on which—
    - (i) the occasional transaction is completed; or
    - (ii) the business relationship ends; or
  - (b) in the case of the records specified in subregulation 15(2)(b), (c), (d), (e) and (f)—
    - (i) if the records relate to a particular transaction, the date on which the transaction is completed;
    - (ii) for all other records, the date on which the business relationship ends.
- (2) The Commission or the Financial Intelligence Unit may, by written notice, specify a period longer than five years for the purposes of regulation 15, and such longer period as is specified in the notice shall apply instead of the period of five years specified in subregulation (1).

**17 Training**

- (1) A service provider shall take appropriate measures for the purposes of making employees whose duties relate to the provision of relevant business aware of—

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- (a)* the anti-money laundering and counter-terrorist financing policies, procedures, systems and controls maintained by the service provider in accordance with these Regulations or the Code;
  - (b)* the law of Montserrat relating to money laundering and terrorist financing offences; and
  - (c)* these Regulations, the Code and any guidance issued by the Commission.
- (2)** A service provider shall provide employees specified in subregulation (1) with training in the recognition and handling of—
  - (a)* transactions carried out by or on behalf of any person who is or appears to be engaged in money laundering or terrorist financing; and
  - (b)* other conduct that indicates that a person is or appears to be engaged in money laundering or terrorist financing.
- (3)** For the purposes of subregulation (2), training shall include the provision of information on current money laundering techniques, methods, trends and typologies.
- (4)** A service provider who contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$50,000.

**PART 4—COMPLIANCE AND DISCLOSURE**

**18 Appointment of Money Laundering Compliance Officer**

- (1)** A service provider, other than a sole trader, shall appoint an individual approved by the supervisory authority as its Money Laundering Compliance Officer in respect of the relevant business being carried on by the service provider.
- (2)** A sole trader is the Money Laundering Compliance Officer in respect of his or her relevant business.
- (3)** An application for the approval of an individual under subregulation (1) shall be made to the supervisory authority in such form and containing such information as may be specified in a form approved by the supervisory authority for the purpose.

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- (4) The supervisory authority may require the service provider to provide it with any information or documents that the supervisory authority reasonably requires to consider the application.
- (5) If it satisfied that individual is fit and proper to be appointed as the Money Laundering Compliance Officer of the service provider, the supervisory authority may approve the appointment.
- (6) When an individual has ceased to be the Money Laundering Compliance Officer of a service provider, the service provider shall as soon as reasonably practicable appoint another individual approved by the supervisory authority as its Money Laundering Compliance Officer.
- (7) A service provider shall give the supervisory authority written notice within seven days after the date—
  - (a) of the appointment of a Money Laundering Compliance Officer; or
  - (b) that an individual ceases, for whatever reason, to be its Money Laundering Compliance Officer.
- (8) The Money Laundering Compliance Officer of a service provider may also be appointed to be its Money Laundering Reporting Officer.
- (9) A service provider who contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$50,000.

**19 Functions of Money Laundering Compliance Officer**

- (1) The principal function of the Money Laundering Compliance Officer is to oversee and monitor the service provider's compliance with the Act, all legislation in force concerning terrorist financing, these Regulations and the Code.
- (2) A service provider shall ensure that—
  - (a) the individual appointed as Money Laundering Compliance Officer under this regulation is of an appropriate level of seniority; and
  - (b) the Money Laundering Compliance Officer has timely access to all records that are necessary or expedient for the purpose of performing his or her functions as money laundering compliance officer.

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- (3) The Code may modify the requirements of this regulation and regulation 18 in relation to particular types or category of service provider.

**20 Appointment of Money Laundering Reporting Officer**

- (1) A service provider, other than a sole trader, shall appoint an individual approved by the supervisory authority as its Money Laundering Reporting Officer.
- (2) An application for the approval of an individual under subregulation (1) shall be made to the supervisory authority in such form and containing such information as may be specified in a form approved by the supervisory authority for the purpose.
- (3) The supervisory authority may require the service provider to provide it with any information or documents that the supervisory authority reasonably requires to consider the application.
- (4) If it satisfied that individual is fit and proper to be appointed as the Money Laundering Reporting Officer of the service provider, the supervisory authority may approve the appointment.
- (5) When an individual has ceased to be the Money Laundering Reporting Officer of a service provider, the service provider shall as soon as reasonably practicable appoint another individual approved by the supervisory authority as its Money Laundering Reporting Officer.
- (6) A service provider shall give the supervisory authority written notice within seven days after the date—
- (a) of the appointment of a Money Laundering Reporting Officer; or
  - (b) that an individual ceases, for whatever reason, to be its Money Laundering Reporting Officer.
- (7) The Money Laundering Reporting Officer of a service provider may also be appointed to be its money laundering compliance officer.
- (8) A service provider who contravenes this regulation commits an offence and is liable on summary conviction, to a fine of \$50,000.

**21 Duties of Money Laundering Reporting Officer**

- (1) The duties of a Money Laundering Reporting Officer include—

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- (a)* receiving and considering internal money laundering and terrorist financing disclosures;
  - (b)* considering whether a suspicious activity report should be made to the Financial Intelligence Unit; and
  - (c)* if the Money Laundering Reporting Officer considers that a suspicious activity report should be made, submitting the report.
- (2)** A service provider shall ensure that—
  - (a)* the individual appointed as Money Laundering Reporting Officer under this regulation is of an appropriate level of seniority; and
  - (b)* the Money Laundering Reporting Officer has timely access to all records that are necessary or expedient for the purpose of performing his or her functions.
- (3)** The Code may modify the requirements of this regulation and regulation 20 in relation to particular types or category of service provider.

**PART 5—NON-FINANCIAL SERVICE PROVIDERS**

**22 Prescribed supervisory authority**

For the purposes of section 157(2) of the Act, the Commission is prescribed as the sole supervisory authority for non-financial service providers.

**23 Register of non-financial service providers**

- (1)** The NFSP supervisor must establish and keep a register of non-financial service providers.
- (2)** The NFSP Register shall contain the following information in respect of each non-financial service provider that has been registered in accordance with regulation 25—
  - (a)* in the case of a non-financial service provider that is a corporate body, the name, country of incorporation, date of incorporation and registered office, or equivalent, of the non-financial service provider;

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- (b)* in the case a non-financial service provider that is not a corporate body, the name and address of the non-financial service provider;
  - (c)* the principal business address in Montserrat of the non-financial service provider;
  - (d)* the relevant business for which the non-financial service provider is registered;
  - (e)* the date of registration and, if applicable, de-registration of the non-financial service provider; and
  - (f)* such other information as the NFSP supervisor considers appropriate.
- (3)** The NFSP Register and the information contained in any document filed with the NFSP supervisor may be kept in such manner as the NFSP supervisor considers appropriate, including either wholly or partly, by means of a device or facility that—
- (a)* records or stores information magnetically, electronically or by other means; and
  - (b)* permits the information recorded or stored to be inspected and reproduced in legible and usable form.

**24 Application to register**

- (1)** A person may apply to the NFSP supervisor to be registered as a non-financial service provider in the NFSP Register.
- (2)** The application must—
  - (a)* be in writing and in the form specified by the NFSP supervisor;
  - (b)* be signed by the applicant or by a person acting on the applicant's behalf;
  - (c)* include the information specified in the Code; and
  - (d)* be accompanied by such documents or information as may be specified on the application form or by the NFSP supervisor.
- (3)** The NFSP supervisor may require an applicant to—
  - (a)* provide it with such documents and information, in addition to those specified in subregulation (2), as it reasonably requires to determine the application and any such

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information shall be in such form as the NFSP supervisor may require; and

- (b)* verify any document and information provided in support of an application in such manner as the NFSP supervisor may specify.
- (4) If, before the determination by the NFSP supervisor of an application—
- (a)* there is a material change in any information or documentation provided by or on behalf of the applicant to the NFSP supervisor in connection with the application; or
  - (b)* the applicant discovers that any such information or documentation is incomplete, inaccurate or misleading,
- the applicant shall give the NFSP supervisor as soon as possible written particulars of the change or of the incomplete, inaccurate or misleading information or documentation.

**25 Registration**

- (1) Following the receipt of an application under regulation 24 and any additional documents or information that it has required under regulation 24(3), the NFSP supervisor must either—
- (a)* register the applicant as a non-financial service provider in the NFSP Register; or
  - (b)* refuse the application.
- (2) If the NFSP Supervisor registers the applicant, it must provide it with written notice of its registration.

**26 Refusal of application**

- (1) The NFSP supervisor may refuse an application for registration if—
- (a)* the application does not comply with regulation 24;
  - (b)* the applicant fails to provide any information or documents required by the NFSP supervisor under regulation 24(3); or
  - (c)* the NFSP supervisor is of the opinion that—
    - (i)* the applicant does not intend to carry on the relevant business for which it seeks registration;



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- (ii) the non-financial service provider, or any of its directors, senior officers or beneficial owners do not satisfy the NFSP supervisor's fit and proper criteria; or
  - (iii) it is contrary to the public interest for the non-financial service provider to be registered.
- (2) If the NFSP supervisor refuses an application for registration, it must send the applicant a written notice of refusal, stating the grounds for its refusal.

**27 Notification of changes in directors and senior officers**

- (1) A registered non-financial service provider shall provide the NFSP supervisor with written notice of any change in its directors (in the case of a corporate body) or senior officers, whether as a result of a director or senior officer ceasing to hold office or the appointment of a new director or senior officer.
- (2) A written notice under subregulation (1) shall—
- (a) specify the date of the change;
  - (b) include the full name of the director or senior officer who has ceased to be, or has been appointed as, a director or senior officer;
  - (c) in the case of a senior officer, specify the role of the senior officer within the non-financial service provider;
  - (d) be provided to the NFSP supervisor within 14 days of—
    - (i) the change occurring, in the case of the appointment or resignation of a director or senior officer, or
    - (ii) the non-financial service provider first becoming aware of the change, in the case of the death of a director or senior officer.
- (3) A registered non-financial service provider that fails to provide written notice of a change in its directors or senior officers in accordance with this regulation commits an offence and is liable on summary conviction to a fine not exceeding \$25,000.

**28 Notification of change in beneficial owners**

- (1) A registered non-financial service provider shall provide the NFSP supervisor with written notice of any change in its beneficial

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owners, whether as a result of a person becoming a beneficial owner or ceasing to be a beneficial owner.

- (2) A written notice under subregulation (1) shall—
  - (a) specify the date of the change;
  - (b) provide details of the identity of the new or former beneficial owner and the nature of the beneficial owner’s interest in, or control of, the service provider;
  - (c) be provided to the NFSP supervisor within 14 days of the service provider first becoming aware of the change.
- (3) A registered non-financial service provider that fails to provide written notice of a change in its beneficial owners in accordance with this regulation commits an offence and is liable on summary conviction to a fine not exceeding \$25,000.

**29 Notification of change in information required to be registered**

- (1) A registered non-financial service provider shall provide the NFSP supervisor with written notice of any change in the information required to be registered under regulation 23(2)(a), (b) and (c).
- (2) A written notice under subregulation (1) shall—
  - (a) specify the date of the change;
  - (b) set out the details of the change;
  - (c) be provided to the NFSP supervisor within 14 days of the service provider first becoming aware of the change.
- (3) A registered non-financial service provider that fails to provide written notice of a change in its registered information in accordance with this regulation commits an offence and is liable on summary conviction to a fine not exceeding \$25,000.

**PART 6—WIRE TRANSFERS**

**30 Interpretation**

- (1) For the purposes of this Part—

**“batch file transfer”** means several individual transfers of funds which are bundled together for transmission;

**“full beneficiary information”**, with respect to a payee means—

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- (a) the payee's name;
- (b) the payee's account number or, if the account number is not available, a unique identifier which allows the transaction to be traced back to the payee;

**“full originator information”**, with respect to a payee, means the name and account number of the payer, together with—

- (a) the payer's address; and
- (b) either—
  - (i) the payer's date and place of birth; or
  - (ii) the customer identification number or national identity number of the payer or, if the payer does not have an account, a unique identifier that allows the transaction to be traced back to that payer;

**“full originator information”**, with respect to a payer means—

- (a) the payer's name;
- (b) the payer's account number or, if the account number is not available, a unique identifier which allows the transaction to be traced back to the payer; and
- (c) one of the following—
  - (i) the payer's address;
  - (ii) the number of a government-issued document evidencing the payer's identity;
  - (iii) the payer's customer identification number;
  - (iv) the payer's date and place of birth;

**“intermediary payment service provider”** means a payment service provider, neither of the payer nor the payee, that participates in the execution of transfer of funds;

**“payee”** means a person who is the intended final recipient of transferred funds;

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**“payer”** means a person who holds an account and allows a transfer of funds from that account or, if there is no account, a person who places an order for the transfer of funds;

**“payment service provider”** means a person whose business includes the provision of transfer of funds services;

**“transfer of funds”** means a transaction carried out on behalf of a payer through a payment service provider by electronic means with a view to making funds available to a payee at a payment service provider, whether or not the payer and the payee are the same person; and

**“unique identifier”** means a combination of letters, numbers or symbols determined by the payment service provider, in accordance with the protocols of the payment and settlement or messaging system used to effect the transfer of funds.

**31 Scope of this Part**

Subject to regulation 32, this Part applies to a transfer of funds in any currency which is sent or received by a payment service provider that is a financial institution that carries on business in or from within Montserrat.

**32 Exemptions**

- (1) Subject to subregulation (2), a transfer of funds carried out using a credit or debit card is exempt from this Part if—
  - (a) the payee has an agreement with the payment service provider permitting payment for the provision of goods and services; and
  - (b) a unique identifier, allowing the transaction to be traced back to the payer, accompanies the transfer of funds.
- (2) A transfer of funds is not exempt from the application of this Part if the credit or debit card is used as a payment system to effect a transfer of funds.
- (3) A transfer of funds made by mobile telephone or another digital or information technology device is exempt from this Part if—

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- (a) the transfer is pre-paid and does not exceed \$300; or
  - (b) each of the following applies—
    - (i) the payee has an agreement with the payment service provider permitting payment for the provision of goods and services;
    - (ii) a unique identifier, allowing the transaction to be traced back to the payer, accompanies the transfer of funds; and
    - (iii) the payment service provider of the payee is a licensee.
- (4) A transfer of funds is exempt if—
- (a) the payer withdraws cash from the payer's own account;
  - (b) there is a debit transfer authorisation between two parties permitting payments between them through accounts, provided that a unique identifier accompanies the transfer of funds to enable the transaction to be traced back;
  - (c) it is made using a truncated cheque;
  - (d) it is a transfer to the Government of Montserrat, or a public body in, Montserrat for taxes, duties, fines or charges; or
  - (e) both the payer and the payee are payment service providers acting on their own behalf.

**33 Payment service provider of payer**

- (1) Subject to regulation 32, the payment service provider of a payer shall ensure that every transfer of funds is accompanied by the full originator payer information and the full beneficiary information.
- (2) Subregulation (1) does not apply in the case of a batch file transfer from a single payer, if some or all of the payment service providers of the payees are situated outside Montserrat, if—
  - (a) the batch file contains –
    - (i) the full originator information with respect to the payer; and
    - (ii) full beneficiary information in relation to the payee that is sufficient to enable traceability within the payee's country; and
  - (b) each of the individual transfers carries—

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- (i) the payer's account number or a unique identifier which allows the transaction to be traced back to the payer; and
  - (ii) the full beneficiary information in relation to the payee.
- (3) The payment service provider of the payer shall, before transferring any funds, verify the full originator information and full beneficiary information on the basis of documents, data or information obtained from a reliable and independent source.
- (4) In the case of a transfer from an account, verification referred to in subregulation (3) with respect to the full originator information may be deemed to have taken place if—
  - (a) the account is held at a bank which holds a banking licence granted under the Banking Act or a bank which holds a licence under the International Banking and Trust Companies Act;
  - (b) the payer's identity has been verified in accordance with the requirements of the Code; and
  - (c) information and documents relating to the verification of the payer have been kept in accordance with regulation 15.
- (5) In the case of a transfer of funds not made from an account, the full originator information on the payer is deemed to have been verified by a payment service provider of the payer if—
  - (a) the transfer consists of a transaction of an amount not exceeding \$2,500;
  - (b) the transfer is not a transaction that is carried out in several operations that appear to be linked and that together comprise an amount exceeding \$2,500; and
  - (c) the payment service provider of the payer does not suspect that the payer is engaged in money laundering, terrorist financing or other financial crime.
- (6) The payment service provider of the payer shall keep records of full originator information on the payer and full beneficiary information that accompanies the transfer of funds for a period of at least five years.
- (7) If the payment service provider of the payer and the payment service provider of the payee are both situated in Montserrat, a transfer of funds need only be accompanied by—

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- (a)* the account number of the payee; or
  - (b)* a unique identifier that allows the transaction to be traced back to the payer, if the payer does not have an account number.
- (8)** If subregulation (7) applies, the payment service provider of the payer shall, upon request from the payment service provider of the payee, make available to the payment service provider of the payee the full originator information within three working days, excluding the day on which the request was made.
- (9)** If a payment service provider of the payer fails to comply with a request to provide the full originator information within the period specified in subregulation (8), the payment service provider of the payee may notify the Commission which must require the payment service provider of the payer to comply with the request immediately.
- (10)** Without prejudice to subregulation (9), if a payment service provider of the payer fails to comply with a request, the payment service provider of the payee may—
  - (a)* issue such warning to the payment service provider of the payer as may be considered necessary;
  - (b)* set a deadline to enable the payment service provider of the payer to provide the required full originator information;
  - (c)* reject future transfers of funds from the payment service provider of the payer;
  - (d)* restrict or terminate its business relationship with the payment service provider of the payer with respect to transfer of funds services or any mutual supply of services.
- (11)** A payment service provider of a payer shall not execute a transfer of funds with respect to the transfer unless the requirements of this regulation are complied with.

**34 Payment service provider of payee**

- (1)** The payment service provider of a payee must take reasonable measures, which may include post-event monitoring or real-time monitoring where feasible, to identify transfers of funds with any missing or incomplete—
  - (a)* full originator information; or

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- (b) full beneficiary information.
- (2) In relation to a transfer of funds in an amount exceeding \$2,500, the payment service provider of the payee shall verify the identity of the payee, if the identity has not been previously verified, and keep and retain the evidence of identity in accordance with regulation 15.
- (3) A payment service provider of a payee must establish and maintain risk-based policies and procedures for determining—
- (a) when to execute, reject, or suspend a transfer of funds if the full originator information or the full beneficiary information is missing or incomplete; and
- (b) the appropriate follow-up action.
- (4) If the payment service provider of the payee becomes aware that the full originator information on the payer or the full beneficiary information with respect to a transfer of funds on the payee is missing or incomplete, the payment service provider of the payee shall—
- (a) reject the transfer; or
- (b) request for the full originator information on the payer and beneficiary information;
- and, in either case determine whether and what follow-up action is appropriate.
- (5) If a payment service provider regularly fails to supply the required information on the payer, the payment service provider of the payee shall adopt reasonable measures to rectify non-compliance with these Regulations, before—
- (a) rejecting any future transfers of funds from that payment service provider;
- (b) restricting its business relationship with that payment service provider; or
- (c) terminating its business relationship with that payment service provider,
- and the payment service provider of the payee shall report to the supervisory authority and to the Financial Intelligence Unit any such decision to restrict or terminate its business relationship with that payment service provider.



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- (6) A payment service provider of a payee shall not take action under subregulation (4) or (5) if doing so would result in the payment service provider contravening a provision of the Act or the terrorist financing laws.
- (7) The payment service provider of a payee shall consider incomplete information about the payer as a factor in assessing whether the transfer of funds, or any related transaction, is suspicious, and whether the suspicion should be reported to the Unit as suspicious activity report.
- (8) The payment service provider of the payee shall keep records of any originator information on the payer and beneficiary information on the payee received for a period of at least five years.

**35 Intermediary payment service provider**

- (1) This regulation applies if the payment service provider of the payer is situated outside Montserrat and the intermediary payment service provider is situated in Montserrat.
- (2) An intermediary payment service provider must ensure that all originator and beneficiary information that accompanies a transfer of funds is kept with that transfer.
- (3) If this regulation applies, an intermediary payment service provider may use a system with technical limitations to send a transfer to the payment service provider of the payee, which prevents the required originator and beneficiary information from accompanying the transfer of funds.
- (4) If, in receiving a transfer of funds, the intermediary payment service provider becomes aware that information on the payer or payee required under this Part is incomplete, the intermediary payment service provider may only use a payment system with technical limitations if the intermediary payment service provider (either through a payment or messaging system, or through another procedure that is accepted or agreed on between the intermediary payment service provider and the payment service provider of the payee) provides confirmation that the information is incomplete.
- (5) An intermediary payment service provider that uses a system with technical limitations must, if the payment service provider of the payee requests, within three working days after the day on which the intermediary payment service provider receives the request, make available to the payment service provider of the payee the

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information on the payer that the intermediary payment service provider has received, whether or not the information is the full originator information.

- (6) An intermediary payment service provider that uses a system with technical limitations which prevents the information on the payer or the payee from accompanying the transfer of funds must keep records of the information on the payer that it has received for at least five years.
- (7) An intermediary payment services provider shall take reasonable measures, consistent with straight through processing, to identify transfers of funds that lack full originator information or full beneficiary information.
- (8) For the purposes of subregulation (7), “straight through processing” means transfers of funds that are conducted electronically without the need for manual intervention.
- (9) An intermediary payment services provider shall have risk-based policies and procedures for determining—
  - (a) when to execute, reject, or suspend a transfer of funds lacking full originator information or full beneficiary information; and
  - (b) the appropriate follow-up action.

**PART 7—TRANSFERS OF VIRTUAL ASSETS**

**36 Definitions for this Part**

In this Part—

“**batch file transfer of virtual assets**” means several individual transfers of virtual assets which are bundled together for transmission;

“**beneficiary**”, in relation to the transfer of a virtual asset, means the person or the legal arrangement that will own the virtual asset on completion of the transfer;

“**beneficiary information**” means—

- (a) the name of the beneficiary; and
- (b) the account number of the beneficiary or, where an account is not used to process the transfer of

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assets or where the account number is not available, a unique transaction reference number that permits the transfer of virtual assets to be traced back to the beneficiary;

**“beneficiary virtual asset service provider”** means a virtual asset service provider which receives a transfer of virtual assets on behalf of a beneficiary;

**“foreign virtual asset service provider”** means a person that—

- (a) carries on a business that, if carried on in Montserrat, would require the person to be licensed under the Virtual Asset Business Act, 2023; and
- (b) is licensed or registered and is supervised for that business by a government or supervisory authority in a country outside Montserrat that is not a high-risk country;

**“high-risk country”** means a country—

- (a) which does not apply, or insufficiently applies the FATF Recommendations; or
- (b) against which the FATF calls for countermeasures;

**“intermediary virtual asset service provider”** means a virtual asset service provider which—

- (a) participates in the execution of a transfer of virtual assets; and
- (b) is not the originating virtual asset service provider or the beneficiary virtual asset service provider;

**“originating virtual asset service provider”** means a virtual asset service provider which conducts a transfer of virtual assets on behalf of an originator;

**“originator”**, in relation to a transfer of virtual asset, means—

- (a) the person or legal arrangement that places an order with the virtual asset service provider for the virtual asset transfer; or

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- (b) where the transfer is carried out by a virtual asset service provider on behalf of a client or other third party, the client or third party who owned the virtual asset immediately before the transfer;

**“originator information”** means—

- (a) the name of the originator;
- (b) one of the following, with respect to the originator—
  - (i) the address of the originator;
  - (ii) the number of a government-issued document evidencing the originator’s identity;
  - (iii) the originator’s customer identification number; or
  - (iv) the originator’s date and place of birth; and
- (c) the account number of the originator or, where an account is not used to process the transfer of assets or where the account number is not available, the unique transaction reference number that permits the transfer of virtual assets to be traced back to the originator;

**“transfer of virtual asset”** means any transaction carried out on behalf of an originator with a view to making the virtual asset available to a beneficiary.

**37 Transfers of virtual assets to a beneficiary**

- (1) An originating virtual asset service provider shall, when conducting a transfer of virtual assets to a beneficiary, collect and record—
  - (a) the originator information; and
  - (b) the beneficiary information.
- (2) An originating virtual asset service provider shall, before conducting the transfer of virtual assets, verify the information on the originator under subregulation (1) on the basis of documents, data or information obtained from a reliable source.

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- (3) An originating virtual asset service provider shall provide the information under subregulation (1) to the beneficiary virtual asset service provider or foreign virtual asset service provider simultaneously or concurrently with the transfer of virtual assets.
- (4) An originating virtual asset service provider may provide the originator information and the beneficiary information to the beneficiary virtual asset service provider or foreign virtual asset service provider directly by attaching the information to the transfer of virtual assets or providing the information indirectly.
- (5) An originating virtual asset service provider shall ensure that transfers of virtual assets are conducted using a system which prevents the unauthorised disclosure of the information under subregulation (1) to a person other than the originating virtual asset service provider, the beneficiary virtual asset service provider or the foreign virtual asset service provider.
- (6) An originating virtual asset service provider shall keep records of the originator information and the beneficiary which accompanies each transfer of virtual assets for a period of at least five years.

**38 Obligations of a beneficiary virtual asset service provider**

- (1) A beneficiary virtual asset service provider shall, on receipt of a transfer of virtual assets, collect and record the originator information and the beneficiary information.
- (2) A beneficiary virtual asset service provider shall verify the accuracy of information on the beneficiary under subregulation (1) on the basis of documents, data or information obtained from a reliable source.
- (3) A beneficiary virtual asset service provider shall keep records of the originator information and the beneficiary information which accompanies each transfer of virtual assets for a period of at least five years.

**39 Duty to produce information**

- (1) The Commission may, by notice in writing, require an originating virtual asset service provider or a beneficiary virtual asset service provider to provide information in respect of a transfer of virtual assets carried out under this Part.

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- (2) An originating virtual asset service provider or a beneficiary virtual asset service provider which receives a notice under subregulation (1) shall comply with that notice within the period and in the manner specified in the notice.

**40 Batch file transfers of virtual assets**

Regulation 37(1) does not apply in the case of a batch file transfer of virtual assets from a single originator, if—

- (a) the batch file contains—
- (i) the originator information; and
  - (ii) the beneficiary information; and
- (b) each individual transfer of virtual assets bundled together in the batch file carries the account number of the originator or a unique transaction reference number that permits the transfer of virtual assets to be traced back to the originator.

**41 Obligations of a beneficiary virtual asset service provider**

A beneficiary virtual asset service provider shall have effective procedures in place in order to detect whether, in the messaging or payment and settlement system or equivalent system used to effect a transfer of virtual assets, the information required under regulations 37(1), 40 and 48 is obtained in accordance with these Regulations.

**42 Missing or incomplete originator information**

- (1) An originating virtual asset service provider shall not execute transfers of virtual assets where the originating virtual asset service provider is unable to collect and maintain information on the originator and beneficiary referred to in regulations 37(1) and 40.
- (2) A beneficiary virtual asset service provider shall have effective systems in place to detect missing required information on both the originator and beneficiary.
- (3) Where a beneficiary virtual asset service provider detects, when receiving transfers of virtual assets, that information on the originator required under this Part is missing or incomplete, the beneficiary virtual asset service provider shall either reject the transfer of virtual assets or request complete information on the originator.

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- (4) A beneficiary virtual asset service provider shall adopt risk-based policies and procedures for determining, where the required originator or beneficiary information is incomplete—
  - (a) whether to execute, reject or suspend a transfer of virtual assets; and
  - (b) the resulting procedures to be applied.
- (5) Where an originating virtual asset service provider regularly fails to supply the required information on the originator, the beneficiary virtual asset service provider shall adopt reasonable measures to rectify non-compliance by the originating virtual asset service provider with these Regulations before—
  - (a) rejecting any future transfers of virtual assets from that originating virtual asset service provider;
  - (b) restricting its business relationship with that originating virtual asset service provider; or
  - (c) terminating its business relationship with that originating virtual asset service provider.
- (6) A beneficiary virtual asset service provider shall report to the Commission any decision that it takes under subregulation (5) to restrict or terminate its business relationship with that originating virtual asset service provider.

**43 Assessment and reporting of suspicious transfers of virtual assets**

A beneficiary virtual asset service provider shall consider incomplete information about the originator as a factor in assessing whether a transfer of virtual assets, or any related transaction, is suspicious and where it is determined that the transaction is suspicious, the suspicious transaction shall be reported to the Unit in accordance with the Act.

**44 Information accompanying a transfer of virtual assets**

An intermediary virtual asset service provider which participates in a transfer of virtual assets shall ensure that all information received on the originator and the beneficiary that accompanies a transfer of virtual assets is kept with the transfer of virtual assets.

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**45 Straight-through processing of transfers of virtual assets**

An intermediary virtual asset service provider shall—

- (a) take reasonable measures, which are consistent with straight-through processing, to identify transfers of virtual assets that lack required originator or beneficiary information; and
- (b) adopt risk-based policies and procedures for determining, where the required originator or beneficiary information is incomplete—
  - (i) when to execute, reject or suspend a transfer of virtual assets; and
  - (ii) the resulting procedures to be applied.

**46 Obligation of a virtual asset service provider to comply with requirements**

A virtual asset service provider shall comply with all the relevant requirements under this Part in the countries in which they operate, either directly or through the agents of the virtual asset service provider.

**47 Obligation of a virtual asset service provider to file suspicious activity report**

- (1) A virtual asset service provider, that controls both the originating virtual asset service provider and the beneficiary virtual asset service provider, shall—
  - (a) consider the information from both the originating virtual asset service provider and the beneficiary virtual asset service provider to determine whether it should make a suspicious activity report; and
  - (b) make a suspicious activity report in the country from which the transfer of virtual assets originated or to which the transfer of virtual assets was destined and make relevant transaction information available to the Unit and the relevant authorities in the country from which the transfer originated or to which it was destined.
- (2) A virtual asset service provider who contravenes subregulation (1) commits an offence and is liable on summary conviction, to a fine of \$100,000.



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**48 Technical limitations related to transfers of virtual assets**

If technical limitations prevent an intermediary virtual asset service provider from sending the required originator or beneficiary information with the transfer of virtual assets, the intermediary virtual asset service provider shall keep a record of all the information received from the originating virtual asset service provider, foreign virtual asset service provider or other intermediary, for at least five years.

**49 Intermediary virtual asset service provider to have risk-based policies**

An intermediary virtual asset service provider shall have risk-based policies and procedures for determining—

- (a) when to execute, reject, or suspend a transfer of virtual assets lacking required originator or required beneficiary information; and
- (b) the appropriate follow-up action.

**PART 8—MISCELLANEOUS**

**50 Customer Information**

For the purposes of section 142 of the Act, “**customer information**” in relation to a person (“the specified person”) and a financial institution, is information whether the specified person holds, or has held, an account or accounts at the financial institution, whether solely or jointly with another, and, if so, information as to—

- (a) the account number or numbers;
- (b) the specified person’s full name;
- (c) where the specified person is an individual, the individual’s—
  - (i) date of birth; and
  - (ii) most recent address, any previous address, any postal address and any previous postal address;
- (d) where the specified person is a company or other type of corporate body—

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- (i) the country where the company or corporate body is incorporated or is otherwise constituted, established or registered;
- (ii) the address of the registered office, any previous registered office, any business address, any previous business address, any postal address and any previous postal address;
- (e) where the specified person is a partnership or unincorporated body of persons, the information specified in paragraph (c) with respect to each individual authorised to operate the account, whether solely or jointly;
- (f) such evidence of identity with respect to the specified person as has been obtained by the financial institution;
- (g) the date or dates on which the specified person began to hold the account or accounts and, if the specified person has ceased to hold the account or any of the accounts, the date or dates on which the person did so;
- (g) the full name of any person who holds, or has held, an account at the financial institution jointly with the specified person;
- (i) the account number or numbers of any other account or accounts held at the financial institution to which the specified person is a signatory and details of the person holding the other account or accounts; and
- (j) the full name and the information contained in paragraph (c), (d) or (e), as relevant, of any person who is a signatory to an account specified in paragraph (i).

**51 Prescribed amounts**

The following amounts are prescribed for the purposes of the Act—

- (a) application of section 32(1) of the Act (minimum amount remaining to be paid under a confiscation order for discharge), the amount prescribed is \$1,000;
- (b) discharge under section 33 of the Act, the amount prescribed is \$100;
- (c) minimum threshold for the purposes of section 96(1) of the Act, the amount prescribed is \$3,000;

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(d) definition of “recoverable cash” under section 99 of the Act, the amount prescribed is \$500.

**52 Disciplinary action**

- (1) For the purposes of section 42 of the Financial Services Commission Act,—
- (a) a regulated service provider other than a Banking Act licensee that contravenes a provision of these Regulations set out in Columns 1 and 2 of the table in Schedule 2, commits a disciplinary violation; and
  - (b) the amount specified in Column 3 of the table in Schedule 2 with respect to a disciplinary violation, is the maximum administrative penalty that the Commission may impose on a regulated service provider other than a Banking Act licensee for that disciplinary violation.
- (2) For the purposes of sections 165 to 169 of the Act—
- (a) a Banking Act licensee, who contravenes a provision of these Regulations set out in Columns 1 and 2 of the table in Schedule 3, commits a disciplinary violation; and
  - (b) the amount specified in Column 3 of the table in Schedule 3 with respect to a disciplinary violation, is the maximum administrative penalty that the Central Bank may impose on a Banking Act licensee, for that disciplinary violation.
- (3) For the purposes of sections 165 to 169 of the Act—
- (a) a non-financial service provider who contravenes a provision of these Regulations set out in Columns 1 and 2 of the table in Schedule 4, commits a disciplinary violation; and
  - (b) the amount specified in Column 3 of the table in Schedule 4 with respect to a disciplinary violation, is the maximum administrative penalty that the NFSP supervisor may impose on a non-financial service provider for that disciplinary violation.

**53 Repeal**

Anti-Money Laundering and Terrorist Financing Regulations, (SRO 27 of 2010) is repealed.

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**SCHEDULE 1**  
**DICTIONARY**  
*(Regulation 2)*

**1. Beneficial owner of a body corporate**

- (1) In these Regulations, “**beneficial owner**” in relation to a body corporate which is not a listed company or a foreign listed entity means an individual who ultimately owns or controls the body corporate and includes an individual who—
  - (a) exercises ultimate control over the management of the body corporate;
  - (b) ultimately owns or controls (in each case whether directly or indirectly), including through bearer share holdings or by other means, more than 25% of the shares or voting rights in the body corporate; or
  - (c) controls the body corporate.
- (2) The criteria specified in section 86(2) of the Companies Act must be applied, with appropriate modifications, for determining whether, for the purposes of subparagraph (1)(c), an individual controls—
  - (a) a relevant company; or
  - (b) any other body corporate as if the body corporate was a relevant company.
- (3) This paragraph does not apply to a body corporate that is a listed company or a foreign listed entity.
- (4) For the purposes of this paragraph “**relevant company**” means a company to which Part 5, Division 2 of the Companies Act applies.

**2. Beneficial owner of a partnership**

- (1) In these Regulations, “**beneficial owner**” in relation to a partnership that is not a body corporate, including a limited partnership, means an individual who ultimately owns or controls the partnership and includes an individual who—
  - (a) ultimately is entitled to or controls, in each case whether directly or indirectly, more than a 25% share of the capital or

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profits of the partnership or more than 25% of the voting rights in the partnership; or

- (b) has the right to or is entitled to—
  - (i) in each case, directly or indirectly, more than 25% of any surplus assets of the partnership on a winding up of the partnership;
  - (ii) directly or indirectly, exercise or control the exercise of, more than 25% of the voting rights in the partnership;
  - (iii) directly or indirectly, appoint or remove a majority of the persons who are entitled to take part in the management of the partnership or otherwise exercises ultimate control over the management of the partnership; or
  - (iv) exercise or actually exercises, significant influence or control over the partnership.

**3. Beneficial owner of a trust, foundation or similar legal arrangement**

- (1) In these Regulations, the following are beneficial owners of a trust—
  - (a) the settlor or settlors of the trust;
  - (b) the trustee or trustees of the trust;
  - (c) the protector or protectors of the trust;
  - (d) the enforcer or enforcers of the trust;
  - (e) the beneficiaries of the trust;
  - (f) where all the individuals benefiting from the trust have yet to be determined, the class or classes of persons for whom the trust is set up or operates; and
  - (g) any individual who exercises control over the trust whether by means of direct or indirect ownership or by other means.
- (2) For the purposes of subparagraph (1)(a), “**settlor**” includes a person who, as settlor, established the trust and any person who has subsequently settled property into the trust.
- (3) For the purposes of subparagraph (1)(g), “**control**” means a power (whether exercisable alone, jointly with another person or with the

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consent of another person) under the trust instrument or by law to—

- (a) dispose of, advance, lend, invest, pay or apply trust property;
  - (b) vary or terminate the trust;
  - (c) add or remove a person as a beneficiary or to or from a class of beneficiaries;
  - (d) appoint or remove trustees or give another individual control over the trust; or
  - (e) direct, withhold consent to or veto the exercise of a power mentioned in subparagraph (1)(a) to (e).
- (4) The beneficial owners of any legal arrangement similar to a trust are the individuals who hold similar or equivalent positions to those set out in subparagraph (1).
- (5) The following are beneficial owners of a foundation—
- (a) the founder or founders;
  - (b) the foundation council members or equivalent;
  - (c) the guardian or guardians of the foundation, or equivalent;
  - (d) the beneficiaries of the foundation;
  - (e) where all the individuals who are beneficiaries of the foundation have yet to be determined, the class or classes of persons for whom the foundation is formed or operates; and
  - (f) any individual who exercises ultimate control over the foundation whether by means of direct or indirect ownership or by other means.
- (6) The beneficial owners of any legal arrangement similar to a foundation are the individuals who hold positions similar or equivalent to those set out in subparagraph (5).

**4. Beneficial owners of any other legal entity or arrangement**

In these Regulations, the beneficial owners of a legal entity or legal arrangement that does not fall within subparagraphs 1, 2 and 3 are—

- (a) any individual who benefits from the property of the legal entity or arrangement;

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- (b) where the individual or individuals who benefit from the legal entity or arrangement have yet to be determined, the class of persons in whose main interest the legal entity or arrangement is set up or operates; and
- (c) any individual who exercises control over the property or management of the legal entity or arrangement.

**5. Correspondent banking relationship**

- (1) **“Correspondent banking relationship”** means a relationship that involves the provision of banking services by one bank, (the “correspondent bank”) to another bank (the “respondent bank”).
- (2) Without limiting subparagraph (1), **“banking services”** includes—
  - (a) cash management, including establishing interest-bearing accounts in different currencies;
  - (b) international wire transfers of funds;
  - (c) cheque clearing;
  - (d) payable-through accounts; and
  - (e) foreign exchange services.

**6. Customer due diligence measures**

- (1) **“Customer due diligence measures”** are measures for—
  - (a) identifying a customer;
  - (b) determining whether the customer is acting for a third party and, if so, identifying the third party;
  - (c) verifying the identity of the customer and any third party for whom the customer is acting;
  - (d) identifying the identity of each beneficial owner of the customer and third party, where either the customer or third party, or both, are not individuals;
  - (e) taking reasonable measures to verify the identity of each beneficial owner of the customer and third party so that the service provider is satisfied that it knows who each beneficial owner is;
  - (f) taking the measures necessary to understand and, as appropriate, obtaining information on the purpose and



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intended nature of the business relationship or occasional transaction;

- (g) where the customer is a legal person, partnership, foundation, trust or similar legal arrangement, taking the measures necessary to understand—
    - (i) the nature of the customer’s business, and
    - (ii) the ownership and control structure of the customer; and
  - (h) where the beneficial owner of a customer or third party is a legal person, partnership, foundation, trust or similar legal arrangement, taking the measures necessary to understand the ownership and control structure of the beneficial owner.
- (2) If the customer or third party is a legal person and subparagraph (3) applies, customer due diligence measures include identifying and taking reasonable measures to verify the identity of the individual who holds the position of senior managing official in relation to the customer or third party.
- (3) Subparagraph (2) applies if the service provider has exhausted all possible means of identifying the beneficial owner of the customer or third party and—
- (a) has not succeeded in doing so; or
  - (b) is not satisfied that the individual identified is the beneficial owner.
- (4) Customer due diligence measures include—
- (a) measures for verifying that any person purporting to act on behalf of the customer is authorised to do so, identifying that person and verifying the identity of that person; and
  - (b) where the service provider carries on insurance business, measures for identifying each beneficiary under any long term or investment linked policy issued or to be issued by the service provider and verifying the identity of each beneficiary.
- (5) Customer due diligence measures do not fall within this paragraph unless they provide for verifying the identity of persons whose identity is required to be verified, on the basis of documents, data or information obtained from a reliable and independent source.

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- (6) Subparagraph (1)(d), (e) and (g) do not apply if the customer or third party is a listed company or a foreign listed entity.
- (7) If a service provider suspects that a transaction has been structured so as to enable the benefit to be retained by an individual who does not fall within the definition of beneficial owner, that individual shall be treated as a beneficial owner for the purposes of these Regulations and the Code.

**7. Enhanced customer due diligence**

“**Enhanced customer due diligence measures**” means customer due diligence measures that involve specific and adequate measures to compensate for the higher risk of money laundering or terrorist financing.

**8. Enhanced ongoing monitoring**

“**Enhanced ongoing monitoring**” means ongoing monitoring that involves specific and adequate measures to compensate for the higher risk of money laundering or terrorist financing.

**9. Financial institution**

- (1) In these Regulations, “**financial institution**” means a person who, in the course of a business carried on in, or from within, Montserrat conducts any of the following activities or operations—
  - (a) the acceptance of deposits and other repayable funds from the public;
  - (b) lending, including consumer credit, mortgage credit, factoring, with or without recourse, and financing of commercial transactions, including forfeiting;
  - (c) financial leasing, except where the financial leasing arrangement relates to consumer products;
  - (d) money or value transfer services;
  - (e) including issuing and managing means of payment, including credit and debit cards, cheques, travellers’ cheques, money orders, bankers’ drafts and electronic money;
  - (f) the provision of financial guarantees or commitments;
  - (g) trading, on the person’s own account or for the account of customers, in—

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- (i) money market instruments, including cheques, bills, certificates of deposit and derivatives;
  - (ii) foreign exchange;
  - (iii) exchange, interest rate and index instruments;
  - (iv) shares and other transferable securities;
  - (v) commodity futures;
  - (h) participation in securities issues and the provision of financial services related to such issues;
  - (i) individual and collective portfolio management;
  - (j) safekeeping and administration of cash or liquid securities on behalf of other persons;
  - (k) investing, administering or managing funds or money on behalf of another person;
  - (l) providing advice on capital structure, industrial strategy and related questions and advice and services relating to mergers and the purchase of undertakings;
  - (m) underwriting of, or acting as a broker or agent with respect to, life insurance or other investment related insurance;
  - (n) money and currency changing.
- (2) Subparagraph (1)(d) does not apply to a person who provides financial institutions solely with message or other support systems for transmitting funds.

**10. Foreign regulated person**

- (1) “**Foreign regulated person**” means a person—
- (a) that is incorporated in, or if it is not a corporate body, has its principal place of business in, a jurisdiction outside Montserrat (its “home jurisdiction”);
  - (b) that carries on business outside Montserrat that, if carried on in Montserrat, would result in the person being a regulated service provider;
  - (c) that, in respect of the business referred to in paragraph (b)—
    - (i) is subject to legal requirements in its home jurisdiction for the prevention of money laundering and terrorist

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financing that are consistent with the requirements of the  
FATF Recommendations for that business; and

(ii) is subject to effective supervision for compliance with  
those legal requirements by a foreign regulatory  
authority.

(2) For the purposes of the definition of “**foreign regulated person**”, a  
Code may specify jurisdictions that may be regarded as having  
legal requirements for the prevention of money laundering that are  
consistent with the requirements of the FATF Recommendations.

**11. High value dealer**

(1) “**High value dealer**” means a person who—

(a) trades in goods, including precious metals and precious  
stones; and

(b) receives, in respect of any transaction, a payment or payments  
in cash of at least \$35,000 or the equivalent in another  
currency, whether the transaction is executed in a single  
operation or in several linked operations.

(2) Subject to subparagraph (3), a person who, at any time becomes a  
high value dealer, remains a high value dealer for as long as the  
person trades in goods, including precious metals and precious  
stones, even if subparagraph (1)(b) no longer applies to the person.

(3) If the registration of a person as a high value dealer is cancelled  
under section 164 of the Act, the person ceases to be a high value  
dealer on the date of cancellation, provided that the person no  
longer falls within subparagraph (1)(a) and (b).

(4) For the avoidance of doubt, section 159 of the Act applies to a  
person whose registration has been cancelled from the date of  
cancellation.

**12. Holding entity, subsidiary and group**

(1) A legal entity (the “first legal entity”) is a “holding entity” in  
relation to another legal entity (the “second legal entity”), if the  
first legal entity—

(a) holds a majority of the issued shares of the second legal  
entity, excluding shares that carry no voting rights;

(b) has the power to exercise, or control the exercise of, a  
majority of the voting rights in the second legal entity;

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- (c)* is a member of the second legal entity and has the right to appoint or remove the majority of the directors of the second legal entity;
  - (d)* has the power to exercise, or actually exercises, dominant influence or control over the second legal entity; or
  - (e)* is a parent of a parent of the second legal entity.
- (2)** A legal entity (the second legal entity) is a “subsidiary” of any legal entity that is a holding entity in relation to the second legal entity.
- (3)** “**Group**”, in relation to a legal entity (the first legal entity) means the first legal entity and any other legal entity that is—
  - (a)* a parent of the first company;
  - (b)* a subsidiary of the first company;
  - (c)* a subsidiary of a parent of the first company; or
  - (d)* a parent of a subsidiary of the first company.

**13. Occasional transaction**

- (1)** A transaction is an occasional transaction if the transaction is carried out otherwise than as part of a business relationship, and is carried out as—
  - (a)* a single transaction that amounts to the sum specified in subparagraph (2), or more; or
  - (b)* two or more linked transactions that, in total, amount to the sum specified in subparagraph (2), or more, where—
    - (i)* it appears at the outset to any person handling any of the transactions that the transactions are linked; or
    - (ii)* at any later stage it comes to the attention of any person handling any of those transactions that the transactions are linked.
- (2)** The amount specified for the purposes of subparagraph (1) is—
  - (a)* the sum of \$2,500, in the case of a transaction, or linked transactions—
    - (i)* carried out in the course of a money services business; or

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- (ii) that, although not falling within subparagraph (i), is a transfer of funds within the meaning of regulation 30; and
  - (b) the sum of \$37,500, in the case of any other transaction, or linked transactions.
- (3) In the case of a virtual asset service provider, a single transaction or two or more linked transactions shall be regarded as an occasional transaction regardless of the amount, and the minimum amounts specified in subparagraph (2) do not apply.

**14. Ongoing monitoring**

**“Ongoing monitoring”** of a business relationship means—

- (a) scrutinising transactions undertaken throughout the course of the relationship, including where necessary the source of funds, to ensure that the transactions are consistent with the service provider’s knowledge of the customer and his business and risk profile; and
- (b) keeping the documents, data or information obtained for the purpose of applying customer due diligence measures up-to-date and relevant by undertaking reviews of existing records.

**15. Politically exposed person, foreign politically exposed person and domestic politically exposed person**

(1) **“Politically exposed person”** means—

- (a) a foreign politically exposed person;
- (b) a domestic politically exposed person; or
- (c) a person who is, or has been, entrusted with a prominent function by an international organisation.

(2) **“Foreign politically exposed person”** means a person who is, or has been, entrusted with a prominent public function by a country other than Montserrat.

(3) **“Domestic politically exposed person”** means a person who is, or has been, entrusted with a prominent public function by Montserrat.

(4) Without limiting subparagraphs (2) or (3), the following have or exercise prominent public functions in relation to a country—

- (a) heads of state, heads of government and senior politicians;

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- (b)* senior government or judicial officials;
  - (c)* high-ranking officers in the armed forces;
  - (d)* members of courts of auditors or of the boards of central banks;
  - (e)* ambassadors and *chargés d'affaires*;
  - (f)* senior executives of state-owned corporations; and
  - (g)* important political party officials.
- (5) **“International organisation”** means a body or entity—
- (a)* established by formal political agreement between its member countries that has the status of an international treaty;
  - (b)* whose existence is recognised by law in its member countries; and
  - (c)* which is not treated as a resident institutional unit of the country in which it is located.
- (6) For the purposes of subparagraph (5)(c), the following have or exercise prominent functions in relation to an international organisation—
- (a)* the directors and deputy directors of the international organisation;
  - (b)* the members of the board or governing body of the international organisation; and
  - (c)* other members of the senior management of the international organisation.
- (7) The following are immediate family members of a politically exposed person—
- (a)* a spouse;
  - (b)* a partner;
  - (c)* children and their spouses or partners;
  - (d)* parents;
  - (e)* grandparents and grandchildren; and
  - (f)* siblings.

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- (8) For the purposes of subparagraphs (7)(b) and (c), “**partner**” means—
- (a) a person who lives in a domestic relationship which is similar to the relationship between husband and wife; or
  - (b) a person in a relationship with another person who is considered by the law of any jurisdiction which applies to the relationship as equivalent to a spouse.
- (9) The following are close associates of a politically exposed person—
- (a) any person known to maintain a close business relationship with that person or to be in a position to conduct substantial financial transactions on behalf of the person;
  - (b) any person who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with that person; and
  - (c) any person who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of that person.
- (10) For the purposes of deciding whether a person is a close associate of a politically exposed person, a service provider need only have regard to information which is in that person’s possession or is publicly known.

**16. Recognised exchange**

- (1) “**Recognised exchange**” has the meaning specified in the Companies Act.
- (2) An exchange is not a recognised exchange within the meaning of subparagraph (1) if it is situated in a country specified by the Commission, by notice published in the Gazette, as a country that does not implement, or does not effectively apply, the FATF Recommendations.

**17. Regulatory licence**

The following are specified as “**regulatory licences**”—

- (a) a licence issued under the Banking Act;
- (b) an international banking licence issued under the International Banking and Trust Companies Act;



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- (c) a trust company licence issued under International Banking and Trust Companies Act;
- (d) a licence issued under the Company Management Act;
- (e) the registration of a company or an association of underwriters under the Insurance Act;
- (f) the registration of an insurance intermediary, other than an insurance adjuster, under the Insurance Act;
- (g) a licence to act, or registration, as –
  - (i) an investment fund manager;
  - (ii) an investment fund administrator; or
  - (iii) a custodian;under the Investment Funds Act;
- (h) a licence issued under Part 4 or Part 9 of the Securities Act;
- (i) the registration of a cooperative under the Cooperative Societies Act, where the cooperative is a credit union within the meaning of that Act;
- (j) a licence issued under the Money Services Business Act;
- (k) a licence issued under the Virtual Asset Business Act 2023;
- (l) a licence issued under the Building Societies Act, 2024.

**18. Service providers**

- (1) The following are “service providers”, when acting in the course of a business carried on in, or from within, Montserrat—
  - (a) a financial institution;
  - (b) subject to subparagraphs (3) and (4), a person other than a financial institution that carries on a business for which a regulatory licence is required;
  - (c) a trust or company service provider;
  - (d) an independent legal professional;
  - (e) a person who acts as a real estate agent, when the person is involved in a transaction concerning the buying and selling of real estate;

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- (f)* a person who provides accountancy or audit services;
  - (g)* a high value dealer.
- (2) The following are “service providers”, when acting in the course of a business, whether carried on in, from within or outside Montserrat—
  - (a)* an investment fund licensed, or required to be licensed, as a public fund, a private fund or a professional fund under the Investment Funds Act when marketing or otherwise offering its shares;
  - (b)* a person who, although not licensed under the Investment Funds Act, acts as the administrator, manager or custodian of an investment fund licensed, or required to be licensed, under the Investment Funds Act as a public fund, a private fund or a professional fund.
- (3) A company that carries on insurance business is a service provider only where it carries on—
  - (a)* long-term insurance business; or
  - (b)* any form of life insurance business or investment related insurance business that may be classified as general insurance business.
- (4) A person who carries on business as an insurance intermediary (other than as an insurance adjuster) is a service provider only where the person acts with respect to any type of business referred to in subparagraph (3)(a) or (3)(b).
- (5) In subparagraphs (3) and (4), “**insurance business**”, “**general insurance business**” and “**long-term insurance business**” have the meanings specified in the Insurance Act.
- (6) A person or body that is incorporated or constituted in Montserrat that acts in the course of a business carried on outside Montserrat is deemed to act in the course of a business carried on from within Montserrat.

**19. Shell bank**

A “**shell bank**” is a bank that—

- (a)* is incorporated and licensed in a country in which it has no physical presence involving meaningful decision-making and management; and

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- (b) is not subject to supervision by the Commission or a foreign regulatory authority, by reason of its membership of, or affiliation to, a group that is subject to effective consolidated supervision.

**20. Trust or company service provider**

- (1) In these Regulations, “**trust or company service provider**” means a person who, by way of business, provides any of the following services to third parties, when providing such services—
- (a) acting as formation agent of a legal entity;
  - (b) acting, or arranging for another person to act—
    - (i) as a director or secretary of a company;
    - (ii) as a partner of a partnership; or
    - (iii) in a similar capacity in relation to other legal persons;
  - (c) providing a registered office, business, accommodation, correspondence or administrative address or other related services for a company, partnership or any other legal entity or legal arrangement;
  - (d) acting, or arranging for another person to act—
    - (i) as a trustee of an express trust or performing an equivalent function for another form of legal arrangement;
    - (ii) as a nominee shareholder for another person.

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**SCHEDULE 2**  
*(Regulation 52(1))*

**DISCIPLINARY ACTION – REGULATED SERVICE PROVIDERS,  
 OTHER THAN BANKING ACT LICENSEES**

REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
3	Failure, as a Montserrat financial institution, to comply with requirements in subregulation (2), (3), (4) or (5) concerning foreign branches or subsidiaries	\$2,000 for every day the disciplinary violation continues or occurs
5	Failure to apply required customer due diligence measures as required by subregulation (1), conduct ongoing monitoring as required by subregulation (5) or to comply with requirements relating to customer due diligence and ongoing monitoring in subregulations (3), (4), (6) or (9)	\$2,000 for every day the disciplinary violation continues or occurs
6	Failure to comply with requirements in subregulations (2) and (3) concerning business relationship with the customers	\$2,000 for every day the disciplinary violation continues or occurs
7(1)	Failure to apply enhanced due diligence in respect of any relevant requirements in regulation 7(1)(a) to (f).	\$1,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
8	Failure to comply with requirements to apply additional customer due diligence measures and ongoing monitoring with respect to a life insurance or an investment related insurance policy in subregulations (1), (2), (3), (4), (5), (6) or (7)	\$2,000 for every day the disciplinary violation continues or occurs
10	Failure to comply with subregulations (3), (4) or (5) with respect to the application of simplified due diligence measures	\$2,000 for every day the disciplinary violation continues or occurs
11(1)	Failure, as a financial institution, to take appropriate measures not to enter into correspondence banking relationship with a bank that permits its accounts to be used by a shell bank	\$2,000 for every day the disciplinary violation continues or occurs
12(1)	Failure to comply with the requirements not to set up or maintain a numbered account, an anonymous account or in a name that is fictitious	\$2,000 for every day the disciplinary violation continues or occurs
13	Failure to comply with requirements in subregulations (2), (4) or (5) concerning the establishment and maintenance of policies, systems and controls	\$1,000 for every day the disciplinary violation continues or occurs

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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
14	Failure, as holding entity, to comply with requirements concerning the establishment and maintenance of group-level money laundering policies, procedures, systems and controls	\$1,000 for every day the disciplinary violation continues or occurs
15	Failure to comply with the requirements in subregulations (1), (4), or (5) concerning the keeping of records	\$1,000 for every day the disciplinary violation continues or occurs
17	Failure to comply with the requirements in subregulations (1) or (2) concerning the training of employees	\$1,000 for every day the disciplinary violation continues or occurs
18	Failure to comply with the requirements in subregulations (1), (6) or (7) concerning the appointment of a money laundering compliance officer	\$1,000 for every day the disciplinary violation continues or occurs
19(1)	Failure to comply with the requirements concerning the appointment of a money laundering compliance officer and the provision of access to the money laundering compliance officer to records	\$1,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
20	Failure to comply with the requirements in subregulations (1), (5) or (6) concerning the appointment of a money laundering reporting officer	\$1,000 for every day the disciplinary violation continues or occurs
21	Failure to comply with the requirements in subregulations (2), (5) or (6) concerning the appointment of a money laundering reporting officer and the provision of access to the money laundering reporting officer to records	\$1,000 for every day the disciplinary violation continues or occurs
33	Failure, as payment service provider of a payer, to comply with the requirements concerning transfers of funds in subregulations (1), (3), (6) or (8)	\$1,000 for every day the disciplinary violation continues or occurs
34	Failure, as payment service provider of a payee, to comply with the requirements concerning the receipt of transfers of funds in subregulations (1), (2), (3), (4), (5) or (8)	\$1,000 for every day the disciplinary violation continues or occurs
35	Failure, as intermediary payment service provider, to comply with the requirements in subregulations (2), (4), (5), (6), (7) or (9)	\$1,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
37	Failure, as originating virtual asset service provider, to comply with the requirements concerning transfers of virtual assets in subregulations (1), (2), (3) or (5)	\$1,000 for every day the disciplinary violation continues or occurs
38	Failure, as beneficiary virtual asset service provider, to comply with the requirements concerning receipts of virtual assets in subregulations (1), (2) or (3)	\$1,000 for every day the disciplinary violation continues or occurs
39(2)	Failure, as originating virtual asset service provider or beneficiary virtual asset service provider, to comply with notice to provide information to the Commission	\$1,000 for every day the disciplinary violation continues or occurs
41	Failure, as beneficiary virtual asset service provider to have the required procedures in place	\$1,000 for every day the disciplinary violation continues or occurs
42(1)	Failure, as originating virtual asset service provider, to comply with the requirements concerning the execution of a transfer of assets	\$1,000 for every day the disciplinary violation continues or occurs
42	Failure, as beneficiary virtual asset service provider, to comply with the requirements of subregulations (2), (3), (4), (5) or (6) concerning missing	\$1,000 for every day the disciplinary violation continues or occurs



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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
	or incomplete originator information	
43	Failure, as beneficiary virtual asset service provider, to comply with requirements concerning the assessment and reporting of suspicious transfers of virtual assets	\$1,000 for every day the disciplinary violation continues or occurs
44	Failure, as intermediary virtual asset service provider, to comply with requirements concerning information required to accompany a transfer of assets	\$1,000 for every day the disciplinary violation continues or occurs
45	Failure, as intermediary virtual asset service provider, to comply with requirements concerning the straight-through processing of virtual assets	\$1,000 for every day the disciplinary violation continues or occurs
46	Failure, as virtual asset service provider, to comply with requirements concerning the transfer of virtual assets in countries outside Montserrat	\$1,000 for every day the disciplinary violation continues or occurs
47(1)	Failure, as virtual asset service provider, to comply with the requirements concerning the filing of suspicious activity reports	\$2,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
48	Failure, as intermediary virtual asset service provider, to comply with requirements concerning the keeping of records	\$1,000 for every day the disciplinary violation continues or occurs
49	Failure, as intermediary virtual asset service provider, to comply with requirements concerning risk-based policies	\$1,000 for every day the disciplinary violation continues or occurs

**SCHEDULE 3**

*(Regulation 52(2))*

**DISCIPLINARY ACTION – BANKING ACT LICENSEES**

REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
3	Failure to comply with requirements in subregulation (2), (3), (4) or (5) concerning foreign branches or subsidiaries	\$2,000 for every day the disciplinary violation continues or occurs
5	Failure to apply required customer due diligence measures as required by subregulation (1), conduct ongoing monitoring as required by subregulation (5) or to comply with requirements relating to customer due	\$2,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
	diligence and ongoing monitoring in subregulations (3), (4), (6) or (9)	
6	Failure to comply with requirements in subregulations (2) and (3) concerning business relationship with the customers	\$2,000 for every day the disciplinary violation continues or occurs
7(1)	Failure to apply enhanced due diligence in respect of any relevant requirements in regulation 7(1)(a) to (f).	\$1,000 for every day the disciplinary violation continues or occurs
8	Failure to comply with requirements to apply additional customer due diligence measures and ongoing monitoring with respect to a life insurance or an investment related insurance policy in subregulations (1), (2), (3), (4), (5), (6) or (7)	\$2,000 for every day the disciplinary violation continues or occurs
10	Failure to comply with subregulations (3), (4) or (5) with respect to the application of simplified due diligence measures	\$2,000 for every day the disciplinary violation continues or occurs
11(1)	Failure to take appropriate measures not to enter into correspondence banking relationship with a bank that permits its accounts to be used by a shell bank	\$2,000 for every day the disciplinary violation continues or occurs

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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
12(1)	Failure to comply with the requirements not to set up or maintain a numbered account, an anonymous account or in a name that is fictitious	\$2,000 for every day the disciplinary violation continues or occurs
13	Failure to comply with requirements in subregulations (2), (4) or (5) concerning the establishment and maintenance of policies, systems and controls	\$1,000 for every day the disciplinary violation continues or occurs
14	Failure, as holding entity, to comply with requirements concerning the establishment and maintenance of group-level money laundering policies, procedures, systems and controls	\$1,000 for every day the disciplinary violation continues or occurs
15	Failure to comply with the requirements in subregulations (1), (4), or (5) concerning the keeping of records	\$1,000 for every day the disciplinary violation continues or occurs
17	Failure to comply with the requirements in subregulations (1) or (2) concerning the training of employees	\$1,000 for every day the disciplinary violation continues or occurs
18	Failure to comply with the requirements in subregulations (1), (6) or (7) concerning the	\$1,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
	appointment of a money laundering compliance officer	
19(1)	Failure to comply with the requirements concerning the appointment of a money laundering compliance officer and the provision of access to the money laundering compliance officer to records	\$1,000 for every day the disciplinary violation continues or occurs
20	Failure to comply with the requirements in subregulations (1), (5) or (6) concerning the appointment of a money laundering reporting officer	\$1,000 for every day the disciplinary violation continues or occurs
21	Failure to comply with the requirements in subregulations (2), (5) or (6) concerning the appointment of a money laundering reporting officer and the provision of access to the money laundering reporting officer to records	\$1,000 for every day the disciplinary violation continues or occurs
33	Failure, as payment service provider of a payer, to comply with the requirements concerning transfers of funds in subregulations (1), (3), (6) or (8)	\$1,000 for every day the disciplinary violation continues or occurs

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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
34	Failure, as payment service provider of a payee, to comply with the requirements concerning the receipt of transfers of funds in subregulations (1), (2), (3), (4), (5) or (8)	\$1,000 for every day the disciplinary violation continues or occurs
35	Failure, as intermediary payment service provider, to comply with the requirements in subregulations (2), (4), (5), (6), (7) or (9)	\$1,000 for every day the disciplinary violation continues or occurs
37	Failure, as originating virtual asset service provider, to comply with the requirements concerning transfers of virtual assets in subregulations (1), (2), (3) or (5)	\$1,000 for every day the disciplinary violation continues or occurs
38	Failure, as beneficiary virtual asset service provider, to comply with the requirements concerning receipts of virtual assets in subregulations (1), (2) or (3)	\$1,000 for every day the disciplinary violation continues or occurs
39(2)	Failure, as originating virtual asset service provider or beneficiary virtual asset service provider, to comply with notice to provide information to the Commission	\$1,000 for every day the disciplinary violation continues or occurs

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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
41	Failure, as beneficiary virtual asset service provider, to have the required procedures in place	\$1,000 for every day the disciplinary violation continues or occurs
42(1)	Failure, as originating virtual asset service provider, to comply with the requirements concerning the execution of a transfer of assets	\$1,000 for every day the disciplinary violation continues or occurs
42	Failure, as beneficiary virtual asset service provider, to comply with the requirements of subregulations (2), (3), (4), (5) or (6) concerning missing or incomplete originator information	\$1,000 for every day the disciplinary violation continues or occurs
43	Failure, as beneficiary virtual asset service provider, to comply with requirements concerning the assessment and reporting of suspicious transfers of virtual assets	\$1,000 for every day the disciplinary violation continues or occurs
44	Failure, as intermediary virtual asset service provider, to comply with requirements concerning information required to accompany a transfer of assets	\$1,000 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
45	Failure, as intermediary virtual asset service provider, to comply with requirements concerning the straight-through processing of virtual assets	\$1,000 for every day the disciplinary violation continues or occurs
46	Failure, as virtual asset service provider, to comply with requirements concerning the transfer of virtual assets in countries outside Montserrat	\$1,000 for every day the disciplinary violation continues or occurs
47(1)	Failure, as virtual asset service provider, to comply with the requirements concerning the filing of suspicious activity reports	\$2,000 for every day the disciplinary violation continues or occurs
48	Failure, as intermediary virtual asset service provider, to comply with requirements concerning the keeping of records	\$1,000 for every day the disciplinary violation continues or occurs
49	Failure, as intermediary virtual asset service provider, to comply with requirements concerning risk-based policies	\$1,000 for every day the disciplinary violation continues or occurs

**SCHEDULE 4**

*(Regulation 52(3))*

**DISCIPLINARY ACTION – NON-FINANCIAL SERVICE PROVIDERS**



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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
5	Failure to apply required customer due diligence measures as required by subregulation (1), conduct ongoing monitoring as required by subregulation (5) or to comply with requirements relating to customer due diligence and ongoing monitoring in subregulations (3), (4), (6) or (9)	\$400 for every day the disciplinary violation continues or occurs
6	Failure to comply with requirements in subregulations (2) and (3) concerning business relationship with the customers	\$800 for every day the disciplinary violation continues or occurs
7(1)	Failure to apply enhanced due diligence in respect of any relevant requirements in regulation 7(1)(a) to (f).	\$400 for every day the disciplinary violation continues or occurs
8	Failure to comply with requirements to apply additional customer due diligence measures and ongoing monitoring with respect to a life insurance or an investment related insurance policy in subregulations (1), (2), (3), (4), (5), (6) or (7)	\$400 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
10	Failure to comply with subregulations (3), (4) or (5) with respect to the application of simplified due diligence measures	\$400 for every day the disciplinary violation continues or occurs
12(1)	Failure to comply with the requirements not to set up or maintain a numbered account, an anonymous account or in a name that is fictitious	\$800 for every day the disciplinary violation continues or occurs
13	Failure to comply with requirements in subregulations (2), (4) or (5) concerning the establishment and maintenance of policies, systems and controls	\$400 for every day the disciplinary violation continues or occurs
14	Failure, as holding entity, to comply with requirements concerning the establishment and maintenance of group-level money laundering policies, procedures, systems and controls	\$400 for every day the disciplinary violation continues or occurs
15	Failure to comply with the requirements in subregulations (1), (4), or (5) concerning the keeping of records	\$400 for every day the disciplinary violation continues or occurs

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<b>REGULATION</b>	<b>BRIEF DESCRIPTION OF VIOLATION</b>	<b>ADMINISTRATIVE PENALTY (\$)</b>
17	Failure to comply with the requirements in subregulations (1) or (2) concerning the training of employees	\$1,000 for every day the disciplinary violation continues or occurs
18	Failure to comply with the requirements in subregulations (1), (6) or (7) concerning the appointment of a money laundering compliance officer	\$400 for every day the disciplinary violation continues or occurs
19(1)	Failure to comply with the requirements concerning the appointment of a money laundering compliance officer and the provision of access to the money laundering compliance officer to records	\$400 for every day the disciplinary violation continues or occurs
20	Failure to comply with the requirements in subregulations (1), (5) or (6) concerning the appointment of a money laundering reporting officer	\$400 for every day the disciplinary violation continues or occurs
21	Failure to comply with the requirements in subregulations (2), (5) or (6) concerning the appointment of a money laundering reporting officer and the provision of access to the money laundering reporting officer to records	\$400 for every day the disciplinary violation continues or occurs

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REGULATION	BRIEF DESCRIPTION OF VIOLATION	ADMINISTRATIVE PENALTY (\$)
24(4)	Failure to comply with the requirements concerning the giving of notice to the NFSP Supervisor	\$800 for every day the disciplinary violation continues or occurs
27(1)	Failure to comply with the requirements concerning notification of change in directors or senior officers	\$400 for every day the disciplinary violation continues or occurs
28(1)	Failure to comply with the requirements concerning notification of change in beneficial owners	\$400 for every day the disciplinary violation continues or occurs
29(1)	Failure to comply with the requirements concerning notification of change in information required to be registered	\$400 for every day the disciplinary violation continues or occurs

Made by the Governor acting on the advice of Cabinet this 7th day of March, 2024.

**CLERK OF CABINET**

Published by exhibition by the Clerk of Cabinet at the Office of the Legislature, Farara Plaza, Brades, Montserrat, MSR1110, this      day of March, 2024.

**CLERK OF CABINET**