LEGAL NOTICE NO. 392

REPUBLIC OF TRINIDAD AND TOBAGO

THE PROCEEDS OF CRIME ACT, CHAP. 11:27

REGULATIONS

MADE BY THE MINISTER OF FINANCE UNDER SECTION 56 OF THE PROCEEDS OF CRIME ACT AND SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT

THE FINANCIAL OBLIGATIONS (AMENDMENT) REGULATIONS, 2014

Citation

1. These Regulations may be cited as Financial Obligations (Amendment) Regulations, 2014.

Interpretation
Legal Notice No. 7 of 2010

2. In these Regulations, "the Regulations" means the Financial Obligations Regulations, 2010.

Regulation 2 amended

3. Regulation 2 of the Regulations is amended—

(a) by inserting in the appropriate alphabetical sequence the following new definitions:

" "Core Principles" means the Core Principles for Effective Banking Supervision issued by the Basel Committee on Banking Supervision, the Objectives and Principles for Securities Regulation issued by the International Organization of Securities Commissions, and the Insurance Core Principles issued by the International Association of Insurance Supervisors; and

"financial group" means a group that consists of a parent company or any other type of legal person, exercising control and coordinating functions over the rest of the group for the application of group supervision under the core principles together with branches or subsidiaries that are subject to anti-money laundering policies and procedures at the group level;";

(b) in the definition of "business relationship", by deleting paragraph *(b)* and substituting the following:

"*(b)* a listed business and a customer,

for the carrying out of a financial transaction on a regular basis;";

(c) in the definition of "compliance officer", by deleting the word "officer" and substituting the word "person";

(d) by deleting the definition of "exempt customer";

(e) in the definition of "Supervisory Authority"—

(i) in paragraph *(a),* by deleting the words "a person who is registered to carry on cash remitting services under the Central Bank Act" and substituting the words—

"the National Insurance Board established under the National Insurance Act, the Home Mortgage Bank established under the Home Mortgage Bank Act, the Agricultural Development Bank established under the Agricultural Development Bank Act, the Unit Trust Corporation of Trinidad and Tobago established under the Unit Trust Corporation of Trinidad and Tobago Act and the Trinidad and Tobago Mortgage Finance Company";

Chap. 32:01

Chap. 79:08

Chap. 79:07

Chap. 83:03

(ii) by deleting paragraph *(b)* and substituting the following new paragraph:

"*(b)* the Trinidad and Tobago Securities and Exchange Commission for a person registered as a broker-dealer, underwriter or investment adviser under the Securities Act; or"; and

Chap. 83:02

(f) in the definition of "wire transfer", by deleting the words "through a financial institution or listed business, by electronic means" and substituting the words "by electronic means, through a financial institution".

Regulation 3 amended

4. Regulation 3 of the Regulations is amended—

(a) in subregulation (1), by deleting the words "55(3)" and substituting the words "55A";

(b) in subregulations (1), (2) and (3), by deleting the words "or listed business" and "or business" wherever they occur; and

(c) by inserting after subregulaiton (4) the following new subregulations:

" (5) A listed business shall, for the purpose of securing compliance with section 55A and these Regulations, designate a Compliance Officer for that listed business.

(6) The Compliance Officer designated under subregulation (5) shall be either a senior employee of the listed business or such other competent professional as approved in writing by the FIU.

(7) Where the person who is designated as the Compliance Officer under subregulation (5) is not an employee of the listed business, the responsibility for the compliance obligations is that of the business.

(8) A financial institution or listed business shall appoint an alternate for the Compliance Officer who shall—

(a) in the case of financial institutions, be a senior employee of the financial institution; or

(b) in the case of listed businesses, be a senior employee or such other competent professional as approved in writing by the relevant Supervisory Authority; and

(c) in the absence of the Compliance Officer, discharge the functions of the Compliance Officer.".

Regulation 4 amended

5. Regulation 4 of the Regulations is amended—

(a) in subregulation (2), by—

(i) inserting after the word "Officer" the words "and alternate Compliance Officer"; and

(ii) deleting the word "(1)";

(b) in subregulation (3), by inserting after the word "Officer" the words "and alternate Compliance Officer"; and

(c) by revoking subregulation (4).

Regulation 5 amended

6. Regulation 5 of the Regulations is amended—

(a) in subregulation (2), by deleting the words "when necessary" and substituting the words "as requested"; and

(b) in subregulation (3), by deleting the words "which are not sufficiently compliant" and substituting the words "which do not or insufficiently comply".

Regulation 6 amended

7. Regulation 6 of the Regulations is amended—

(a) in subregulation (1)—

(i) by inserting after the word "training" the words "and ongoing training";

(ii) in paragraph *(a)*(iv), by deleting the word "and";

(iii) by inserting after paragraph *(a)*(v) the following subparagraph:

"(vi) any other written law by which the recommendations of the Financial Action Task Force are implemented;";

(iv) in paragraph *(b)*, by deleting the word "." and substituting the words "; and"; and

(v) by inserting after paragraph *(b)*, the following new paragraph:

"*(c)* to understand the money laundering threats posed by new and developing technologies.".

Regulation 7 amended

8. Regulation 7 of the Regulations is amended—

(a) by renumbering regulation 7 as regulation 7(1);

(b) in renumbered subregulation (1)—

(i) by deleting the words "these Regulations" and substituting the words "the Act";

(ii) in paragraph *(g)*, by deleting the word "and";

(iii) in paragraph *(h)*, by deleting the word "." and substituting the words "; and"; and

(iv) by inserting after paragraph *(h)*, the following new paragraph:

"(i) adoption of risk-management procedures concerning the conditions under which a customer may utilize the business relationship prior to verification."; and

(c) by inserting after subregulation (1) as renumbered, the following new subregulations:

" (2) For the purposes of subregulation (1)*(c)*, a financial institution or listed business shall take appropriate steps to identify, assess and understand their money laundering risks for customers, countries or geographic areas and products, services, transactions or delivery channels and what measures are to be taken to manage and mitigate such risks.

(3) Financial groups shall ensure that group-wide programmes against money laundering are implemented which are applicable and appropriate to all branches and subsidiaries of the financial group.

(4) Financial groups shall ensure that group-wide programmes under subregulation (3) take into consideration the requirements of regulations 3, 4, 5, 6 and 7(1) and include—

(a) policies and procedures for sharing information required for the purposes of customer due diligence and money laundering risk management;

(b) the provision, at group-level compliance, audit and anti-money laundering functions of customer, account, and transaction information from branches and sunsidiaries when necessary for anti-money laundering purposes; and

(c) adequate safeguards for confidentiality and use of information exchanged.

(5) Financial institutions shall ensure that their foreign branches and subsidiaries apply anti-money laundering measures consistent with the requirements of the Act and these Regulations.

(6) Where the minimum anti-money laundering requirements in the country where the foreign branch or subsidiary is located is less strict than those required under the Act or these Regulations, the financial institution shall apply the requirements of the Act and these Regulations to the foreign branch or subsidiary where there is no bar to the implementation of such requirements in the country where the foreign branch or subsidiary is located.

(7) Where the anti-money laundering laws in the country in which a foreign branch or sibsidiary is located does not permit the proper implementation of the Act and these Regulations, a financial institution shall apply apporpriate due diligence measures to manage the anti-money laundering risk of the foreign branch and subsidiary in the financial group and advise the relevant Supervisory Authority in Trinidad and Tobago of the measures taken.

(8) A person who carries on money or value transfer services shall require his or its sub-agents to follow his or its compliance programmes and monitor those subagents for compliance with the compliance programmes.".

Regulation 8 amended

9. Regulation 8(1) of the Regulations is amended—

(a) in paragraph *(a)*—

(i) by deleting the word "suspects" and substituting the words "has reasonable grounds to suspect"; and

(ii) by deleting the words "a specified offence" and substituting the words "criminal conduct"; and

(b) in paragraph *(b)*, by deleting the words "4(1)*(c)*" and substituting the words "40A".

Regulation 11 amended

10. Regulation 11 of the Regulations is amended by—

(a) inserting after subregulation (1), the following new subregulations:

" (1A) A members' club registered under the Registration of Clubs Act and such persons licensed under the Gambling and Betting Act shall, in respect of a customer who engages in—

Chap. 21:01
Chap. 11:19

(a) a transaction of eighteen thousand dollars and over; or

(b) two or more transactions each of which is less than eighteen thousand dollars, but together the value of which is eighteen thousand dollars or more and it appears, whether at the outset of each transaction or subsequently that the transactions are linked,

comply with the requirements of these Regulations.

(1B) A financial institution or listed business may rely on a third party financial institution or listed business to perform elements of customer due diligence, such as identification of the customer, identification of the beneficial owner and understanding the nature of the business, or to introduce the business.

(1C) Notwithstanding subregula-tion (1B), the ultimate responsibility for customer due diligence measures is that of the financial institution or listed business relying on the third party financial institution or listed business.

(1D) A financial institution or listed business seeking to rely on a third party financial institution or listed business to perform elements of customer due diligence under subregulation (1B) shall—

(a) obtain immediately, the necessary information concerning identification of the customer, identification of the beneficial owner and understanding the nature of the business;

(b) take steps to satisfy itself that copies of identification data and other relevant documentation relating to customer due diligence requirements will be made available from the third party financial institution or listed business upon request without delay; and

(c) satisfy itself that the third party financial institution or listed business is—

(i) regulated; or

(ii) supervised or monitored, and has measures in place for compliance with customer due diligence and record-keeping requirements.

(1E) Where a third party financial institution or listed business is located in another jurisdiction, a financial institution or listed business shall consider whether the conditions in subregulation (1D)*(c)* are met and should take into consideration the level of risk associated with those countries.

(1F) Where a financial institution or listed business relies on a third party financial institution or listed business that is part of the same group to perform elements of customer due diligence, the relevant Supervisory Authority may determine that the requirements of subregulations (1B) to (1D) are satisfied if—

(a) the group applies customer due diligence and record-keeping requirements and programmes against money laundering;

(b) the implementation of the customer due diligence and record-keeping requirements under paragraph *(a)* and the anti-money laundering programmes are supervised at a group-level by the relevant Supervisory Authority; and

(c) any higher country risk, as identified on a FATF list as a country with strategic anti-money laundering deficiencies, is adequately mitigated by the anti-money laundering policies of the group.

(1G) A financial institution or listed business shall conduct ongoing due diligence on a business relationship including—

(a) scrutinizing transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the financial institution's or listed business' knowledge of the customer, their business and risk profile, including where necessary, source of funds; and

(b) ensuring that documents, data or information collected under the customer due diligence process is kept up-to-date and relevant, by undertaking reviews of existing records, particularly for higher risk categories of customers.";

(b) in subregulation (2), by deleting the words "specified offence" and substituting the words "criminal conduct";

(c) in subregulation (5), by—

(i) deleting the words "evidence of identity" and substituting the words "customer due diligence information"; and

(ii) deleting the words "in accordance with regulation 7*(b)*, *(c)* and *(d)*" and substituting the words "who shall consider whether a suspicious transaction or activity report shall be filed with the FIU";

(d) inserting after subregulation (7), the following new subregulation:

" (8) Where a financial institution or listed business suspects that money laundering has occurred in respect of one of its customers and the financial institution or listed business reasonably believes that if the customer due diligence process is carried out, the customer in repsect of whom the financial institution or listed business is suspicious, will be tipped-off, the financial institution or listed business may file a Suspicious Transaction Report instead of performing the customer due diligence requirements of this Part.".

Regulation 12 amended

11. Regulation 12 of the Regulations is amended—

(a) in subregulation (1), by inserting after the words "identify and" the words "take reasonable measures to";

(b) in subregulation (2)*(c)*, by deleting the words "ownership and control structure of the legal person or legal arrangement" and substituting the words "nature of the customer's business and its ownership and control structure"; and

(c) by repealing subsection (3).

Regulation 13 amended

12. Regulation 13 of the Regulations is amended—

(a) by revoking subregulations (1) and (2) and substituting the following new subregulation:

" (1) Where an applicant for business acts or appears to act as a representative of a customer, the financial institution or listed business shall—

(a) take the measures necessary to ensure that the applicant is legally authorized to act for the customer; and

(b) conduct customer due diligence on the applicant to identify and verify the identity of that person in accordance with regulations 15(2) and 16(2).";

and

(b) in subregulation (4)—

(i) by deleting the word "applicant" in the second place where it occurs and substituting the word "customer";

(ii) in paragraph *(a)*, by inserting before the word "regulated", the words "in the case of a legal person,"; and

(iii) by deleting paragraph *(b)* and substituting the following paragraph:

"*(b)* based in a country where there are laws that give effect to the Forty Recommendations of the Financial Action Task Force.".

Regulation 14 revoked and substituted

13. Regulation 14 of the Regulations is revoked and the following new regulation is substituted:

"Risk-based approach

14. (1) A financial institution or listed business may apply simplified customer due diligence measures to obtain evidence of the identity of a person in any of the following circumstances:

(a) where the financial institution or listed business carries out a one-off transaction with a third party under regulation 13, pursuant to an introduction effected by a regulated person who has provided written assurance that evidence of the identity of the third party introduced by him has been obtained, recorded and can be made available on request;

(b) in relation to a pension fund plan, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deductions from wages and the pension fund plan rules do not permit the assignment of the interest of a member under the pension fund plan;

(c) where the customer is a public authority;

(d) in relation to life insurance policies where the annual premium is no more than six thousand dollars or a single premium of no more than fifteen thousand dollars;

(e) in relation to insurance policies for pension fund plans where there is a no surrender clause and the policy cannot be used as collateral;

(f) where the customer is a public company listed on the Trinidad and Tobago Stock Exchange; and

(g) where the customer is a financial institution regulated by the Central Bank or the Trinidad and Tobago Securities and Exchange Commission.

(2) Where money laundering risks are higher, financial institutions or listed businesses shall perform enhanced due diligence.

(3) Simplified customer due diligence measures may also be performed by a financial institution or listed business where lower risks have been identified either through a national risk assessment or where a national risk assessment does not exist, through an adequate analysis of risk by the financial institution or listed business.

(4) Simplified measures under subregulation (3) shall be commensurate with the lower risk factors but shall not be used when there is a suspicion of money laundering or where specific higher risk scenarios apply.".

Regulation 15 amended

14. Regulation 15 of the Regulations is amended—

(a) in subregulation (1)—

(i) by deleting the words "identification records of" and substituting the words "documentation on";

(ii) in paragraph *(e)*, by deleting the words "nature and"; and

(iii) in paragraph *(h)*, by inserting after the word "purpose" the words "and intended nature"; and

(b) by inserting after subregulation (4), the following new subregulation:

" (5) A financial institution or listed business shall put special customer due diligence policies in place to address the specific concerns associated with non-face-to-face business relationships or transactions.".

15. Regulation 16 of the Regulations is amended— Regulation 16 amended

(a) in subregulation (2)*(d)*, by inserting after the word "years" in the second place where it occurs, the words "or three-year estimates of income for self-employed persons and businesses which have been in operation for less than three years"; and

(b) in subregulation (3), by deleting the words "integrity of".

16. Regulation 17 of the Regulations is amended— Regulation 17 amended

(a) in subregulation (1), by deleting the words "fiduciary customer" and substituting the words "other legal arrangement"; and

(b) by revoking subregulation (2) and substituting the following new subregulation:

" (2) The verification of the identity of a beneficiary of a trust or other legal arrangement shall be performed before the pay-out or the exercise of vested rights.".

17. Regulation 18 of the Regulations is amended— Regulation 18 amended

(a) in subregulation (1), by inserting after the word "veracity", the words "and adequacy";

(b) by revoking subregulation (2) and substituting the following new subregulation:

" (2) Where the information under subregulation (1) cannot be verified, the financial institution or listed business shall report the matter to the Compliance Officer and discontinue any business relationship with the customer."; and

(c) in subregulation (3), by inserting after the word "suspicious" the words "transaction or activity".

18. Regulation 19 of the Regulations is amended— Regulation 19 amended

(a) in subregulation (2), by—

(i) inserting after the word "institution" wherever it occurs, the words "or listed business"; and

(ii) inserting after the word "forthwith", the words "and report the matter to the Compliance Officer"; and

(b) by inserting after subregulation (2), the following new subregulation:

" (3) On receipt of a report under subregulation (2), the Compliance Officer shall consider whether to submit a suspicious report to the FIU.".

Regulation 20 amended

19. Regulation 20 of the Regulations is amended—

(a) by revoking subregulation (1) and substituting the following new subregulation:

"Politically exposed persons

20. (1) In this Regulation—

"important political party officials" means the Chairman, Deputy Chairman, Secretary and Treasurer of a political party registered under the Representation of the People Act or individuals holding equivalent positions in a foreign country;

"politically exposed person" means—

(a) individuals such as the Head of State or Government, senior politician, senior government, judicial or military officials, senior executives of State-owned corporations and important political party officials who are or have been entrusted with prominent functions—

(i) by a foreign country; or

(ii) domestically for Trinidad and Tobago;

(b) persons who are or have been entrusted with a prominent function by an international organization which refers to members of senior management such as directors and members of the board or equivalent functions;

(c) an immediate family member of a person referred to in paragraph *(a)* such as the spouse, parent, siblings, children and children of the spouse of that person; and

(d) any individual publicly known or actually known to the relevant financial institution to be a close personal or professional associate of the persons referred to in paragraphs *(a)* and *(b);*

"senior executive of State-owned corporations" means—

(a) the Chairman, Deputy Chairman, President or Vice-President of the board of directors;

(b) the managing director, general manager, comptroller, Secretary or treasurer; or

(c) any other person who performs for the body corporate functions similar to those normally performed by the holder of any office specified in paragraph *(a)* or *(b)* and who is duly appointed to perform those functions;

"senior politician" means—

(a) a person elected to office in national, local or Tobago House of Assembly elections; or

(b) a person appointed to serve as a Senator in the Parliament of Trinidad and Tobago, appointed to serve on the Tobago House of Assembly under the Tobago House of Assembly Act or selected to serve as an

Chap. 25:03

Alderman in a Municipality or Regional Corporation under the Municipal Corporations Act;

Chap. 25:04

"senior government official" means a Permanent Secretary or any other person appointed as an Accounting Officer under the Exchequer and Audit Act or individual holding equivalent positions in a foreign country.";

Chap. 69:01

(b) in subregulation (3), by deleting the word "further" and substituting the word "enhanced";

(c) by inserting after subregulation (3), the following new subregulations:

" (3A) Notwithstanding subregulation (3), where the politically exposed person is an individual referred to in paragraphs *(a)*(ii) and *(b)* of the definition of a politically exposed person, enhanced due diligence measures shall only be applied where higher risks are identified.

(3B) Subregulation (3A) also applies to individuals under subregulation (1)*(c)* and *(d)* who are persons to whom subregulation (1)*(a)*(ii) and *(b)* refer.";

(d) in subregulation (4), by inserting after the word "person", the words "or continuing a business relationship with an existing customer who becomes a politically exposed person";

(e) in subregulation (5), by deleting the words "politically exposed person" and substituting the words "persons referred to in regulation 20(2)";

(f) by inserting after subregulation (5), the following new subregulation:

" (6) Where information collected by a financial insitution or listed business on a politically exposed person cannot be verified or is later determined to be false, the financial institution or listed business shall immediately discontinue any business relationship with the politically exposed person and shall report the matter to the Compliance Officer.".

Regulation 21 amended

20. Regulation 21 of the Regulations is amended—

(a) in subregulation (1), by inserting after the word "regulation" the words "and regulation 22";

(b) in subregulation (2), by deleting—

(i) the words "shall collect sufficient information about its respondent bank to—" and substituting the words "shall—"; and

(ii) paragraph *(a)* and substituting the following paragraph:

"*(a)* gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information, the reputation of the institution and the quality of supervision including whether it has been subject to a money laundering investigation or regulatory action; and";

(c) in subregulation (3)—

(i) in paragraph *(b)*, by deleting the words "the respective" and substituting the words "and clearly understand the respective anti-money laundering"; and

(ii) by deleting paragraphs *(c)* and *(d)* and substituting the following paragraph:

"*(c)* with respect to payable through accounts, satisfy themselves that the respondent bank—

(i) has performed customer due diligence obligations on its customers that have direct access to the accounts of the correspondent bank; and

(ii) is able to provide relevant customer due diligence information upon request to the correspondent bank."; and

(d) by revoking subregulation (4).

Regulation 22 revoked and substituted

21. Regulation 22 of the Regulations is revoked and the following new regulation is substituted:

"Shell banks

22. (1) A financial institution shall not enter into or continue a correspondent banking relationship with a shell bank.

(2) A financial institution shall ensure that the respondent financial institution in a foreign country prohibits a shell bank from using the accounts of the respondent financial institution.

(3) For the purposes of this regulation—

"shell bank" means a bank which has no physical presence in the country in which it is incorporated and licensed and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision; and

"physical presence" means that a meaningful mind and management is located within the country and the existence simply of a local agent or low level staff does not constitute physical presence.".

Regulation 23 revoked and substituted

22. Regulation 23 of the Regulations is revoked and the following new regulation is substituted:

"Technological developments

23. (1) A financial institution and a listed business shall identify and assess the money laundering risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.

(2) A financial institution and a listed business shall in respect of new products and new business practices—

(a) undertake the risk assessments prior to the launch or use of such products, practice and technologies; and

(b) take appropriate measures to manage and mitigate risks.".

Regulation 24 amended

23. Regulation 24(2) of the Regulations is amended by deleting all the words after the word "that" and substituting the words—

"—

(a) verification procedures are completed as soon as reasonably practicable;

(b) anti-money laundering risks are effectively managed; and

(c) any funds payable under the contract are not passed to third parties before identification procedures are completed.".

Regulation 26 amended

24. Regulation 26 of the Regulations is amended by—

(a) deleting the word "customer" and substituting the word "reinsurer"; and

(b) deleting the words "at rates commensurate with the risks that were underwritten".

Regulation 27 amended

25. Regulation 27 of the Regulations is amended by—

(a) renumbering regulation "27" as regulation "27(1)"; and

(b) inserting after regulation 27(1) as renumbered, the following new subregulations:

" (2) A financial institution shall conduct the following customer due diligence procedures on the beneficiaries of a life insurance policy or other investment-related insurance policy as soon as the beneficiary is identified or designated:

(a) where the beneficiary identified is a specifically named natural or legal person or legal arrangement, by the taking of the name of the person; and

(b) where the beneficiary is designated by characteristics or by class or by other means, by obtaining sufficient information concerning the beneficiary to satisfy the financial institution that it will be able to establish the identity of the beneficiary at the time of the payout.

(3) In repsect of beneficiaries under subregulation (2), the verification of the identification of the beneficiary shall take place at the time of the payout.

(4) Financial institutions shall include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced due diligence is applicable.

(5) Where a financial institution determines that a beneficiary who is a legal person or legal arrangement presents a higher risk, it should take enhanced measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of the payout.

(6) A financial institution shall, up until the time of payment in relation to life insurance policies, take reasonable measure to determine whether the beneficiaries or the beneficial owner of the beneficiaries are politically exposed persons.

(7) Where a person under subregulation (6) is a politically exposed person, the relevant person in the financial institution shall—

(a) inform senior management in the financial institution, prior to the payout of the policy proceeds;

(b) conduct enhanced due diligence on the whole business relationship with the policy holder; and

(c) consider making a suspicious transaction report.".

Regulation 31 amended

26. Regulation 31 of the Regulations is amended—

(a) in subregulation (1)—

(i) in paragraph *(a)*, by deleting the word "and" and substituting the word ";";

(ii) in paragraph *(b)*, by deleting the word "," and substituting the words "; and"; and

(iii) by inserting after paragraph *(b)*, the following new paragraphs:

"*(c)* account files and business correspondence; and

(d) the results of any analysis undertaken related to an account or transaction,"; and

(b) in subregulation (3)*(b)*, by deleting the words "FIU, upon its request" and substituting the words "Supervisory Authority, upon its request and within such time frame as specified.".

Regulation 31A inserted

27. The Regulations are amended by inserting after regulation 31, the following new regulation:

"Money or value transfer service providers to keep list of agents

31A. A person who carries on money or value transfer services shall maintain a list of all his or its sub-agents which shall be provided to the relevant supervisory authority upon request.".

Regulation 32 amended

28. Regulation 32(1)*(a)* of the Regulations is amended by inserting after the word "out" the words "and account files and business correspondences, including the results of any analysis undertaken".

Regulation 33 amended

29. Regulation 33 of the Regulations is amended—

(a) by deleting the words "or listed business" wherever they occur;

(b) in subregulation (1), by deleting the word "recipient" and substituting the word "beneficiary"; and

(c) by inserting after subregulation (3), the following new subregulations:

" (4) A financial institution shall ensure that where several individual cross border or domestic wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries—

(a) the batch file contains the required and accurate originator information and beneficiary information, that is fully traceable within the beneficiary country; and

(b) the account number of the originator or unique transaction or reference number is included.

(5) For the purposes of this regulation, "batch file" means a series of transactions bundled together.

(6) A beneficial financial institution who receives funds from an originator and an intermediary financial institution who acts between the originator and the beneficiary financial institution shall—

(a) take reasonable measures to identify domestic and cross border transfers that lack the required originator or beneficiary information; and

(b) have risk-based policies and procedures to—

(i) execute, reject or suspend a wire transfer lacking the required originator or beneficiary information; and

(ii) determine follow-up action in respect of subparagraph (i).".

30. Regulation 34 of the Regulations is amended— Regulation 34 amended

(a) by revoking subregulation (2) and substituting the following subregulations:

" (2) Information accompanying a domestic or cross-border transfer shall consist of—

(a) the name of the originator of the transfer;

(b) the address or a national identification number or a passport number of the originator;

(c) the account number of the originator and in the absence of an account, a unique transaction reference number which permits tracing of the transaction;

(d) the name of the beneficiary; and

(e) the beneficiary account number where such an account is used to process the transactions or, in the absence of an account, a uniqe transaction reference number which permits tracing of the transaction.

(2A) Notwithstanding subregulation (2)*(b)*, where the originating financial institution is a money or value transfer service provider, the information required shall be both the address and the national identification number or passport number of the originator.

(2B) An originating financial institution shall verify the accuracy of the information of the originator required under subsection (2).";

(b) in subregulation (4), by deleting the words "or listed business"; and

(c) by inserting after subregulation (4), the following new subregulations:

" (5) Where a domestic or cross border wire transfer is for a sum over six thousand dollars, the beneficiary financial institution shall verify the identity of the beneficiary where not previously identified and maintain a record in accordance with regulation 31.".

Regulation 36 amended

31. Regulation 36 of the Regulations is amended by inserting after the words "financial institution", the words "or listed business".

Regulation 37 repealed and substituted

32. Regulation 37 of the Regulations is repealed and the following new regulation substituted:

"Due diligence to be applied to existing customers

37. A financial institution or listed business shall apply due diligence requirements to existing customers on the basis of materiality and risk, and conduct due diligence on such existing relationships at appropriate times, taking into account whether and when customer due diligence measures have been taken and the adequacy of data obtained.".

Regulation 40 amended

33. Regulation 40 of the Regulations is amended—

(a) by inserting after the word "prescribed" the words "by the Act or legislation under which the financial institution or listed business was licensed or registered,";

(b) by deleting paragraph *(b)* and substituting the following paragraph:

"*(b)* an insurance company, an agent and a broker registered under the Insurance Act;"; Chap. 84:01

(c) by deleting paragraphs *(d)* and *(e)* and substituting the following paragraph:

"*(e)* a broker-dealer, underwriter or investment adviser registered under the Securities Act;"; and Chap. 88:02

(d) in paragraph *(f)*, by deleting the words "the Act and".

Regulation 40A inserted

34. The Regulations are amended by inserting after regulation 40, the following new regulation:

"Supervisory Authority to issue guidelines

40A. For the purposes of these Regulations, the relevant Supervisory Authority may issue guidelines to financial institutions or listed businesses, indicating—

(a) the Simplified Customer Due Diligence and Enhanced Due Diligence measures which may be applied under these Regulations;

(b) the circumstances that may be considered in determining whether a transaction or activity is suspicious; and

(c) any other matter pertaining to the Act and these Regulations.".

Regulation 41 amended

35. Regulation 41 of the Regulations is amended—

(a) in subregulation (2), by deleting the words "specified offence" and substituting the words "criminal conduct"; and

(b) by inserting after subregulation (2), the following new subregulation:

" (2A) A requirement to disclose information under subregulation (2) also applies where the suspicion arises out of a one-off transaction.".

Dated this 27th day of November, 2014.

L. HOWAI
Minister of Finance and the Economy

PRINTED BY THE GOVERNMENT PRINTER, CARONI
REPUBLIC OF TRINIDAD AND TOBAGO—2014