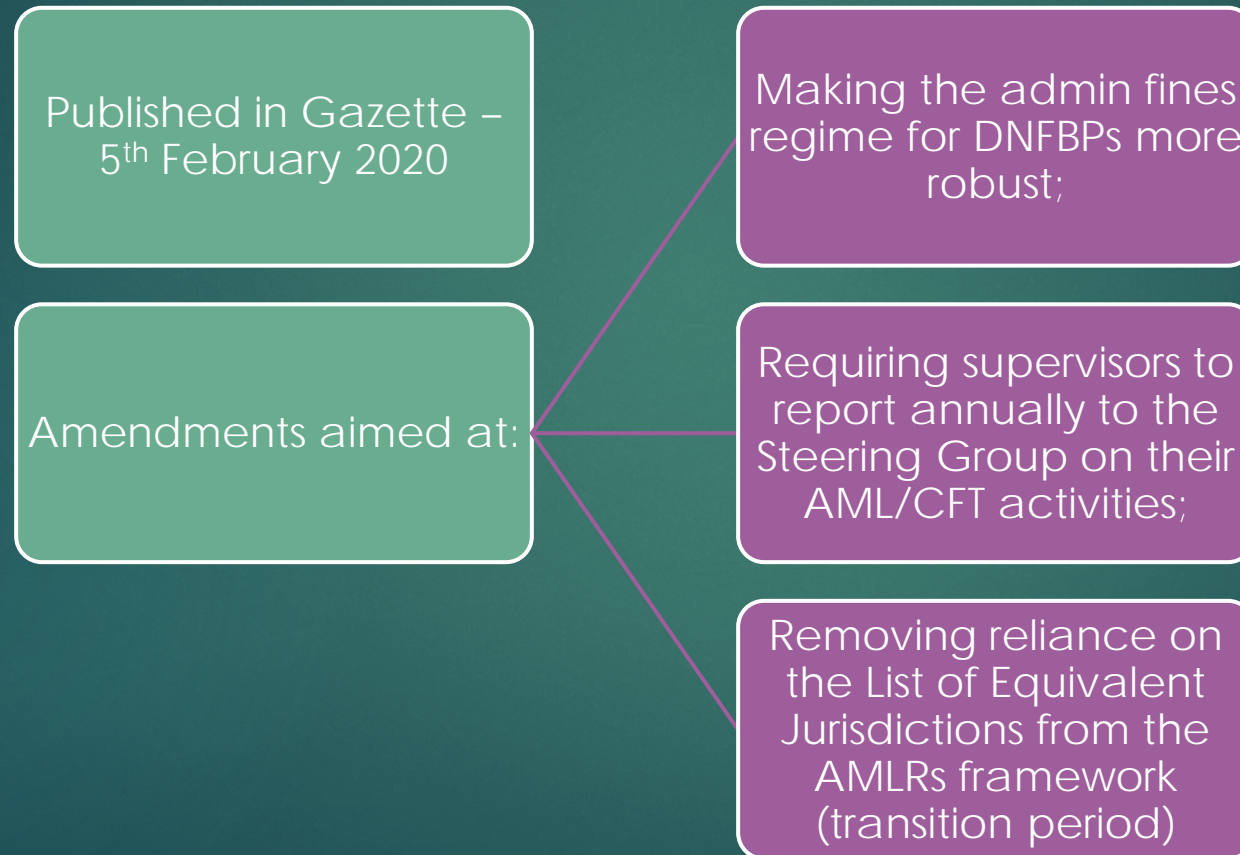


Anti-Money Laundering (Amendment) Regulations, 2020

COUNTRY RISK ASSESSMENTS

Anti-Money Laundering (Amendment) Regulations, 2020



AMLSG List of Equivalent Jurisdictions

- ▶ List was relied on for the purpose of applying SDD measures under Part V of the AMLRs
- ▶ List criticized during evaluation process
- ▶ Steering Group decided to remove reliance on the List and to substitute it with further regulations governing how RFBs should conduct a country risk assessment
- ▶ Reg. 8 - obligation to conduct a country risk assessment

Amendment - Reg. 8A (2 rules)

- ▶ Rules concerning conducting a country risk assessment:
 - **Reg. 8A(1)** - Consult “credible sources” relating to money laundering, terrorist financing (includes evaluations, assessment reports or follow-up reports of the FATF, IMF and any competent authority or government body designated by Cabinet)
 - **Reg. 8A(2)** - Circumstances where RFBs may not conclude that a country is low risk (includes where the FATF or Cabinet requires countermeasures to be applied against a country or where the country has been identified by credible sources as not having effective systems to counter ML/TF/PF)

Amendment – Reg. 21

- ▶ Former Reg 21 sought to limit the application of SDD measures to circumstances where lower risks were identified
- ▶ The Amendment:
 - ▶ Expressly ties the application of SDD measures under Part V back to risk assessments under reg. 8
 - ▶ Clarifies that SDD measures under Part V may be applied only in circumstances where risks identified under reg. 8 are determined to be low

Amendments - AMLSG List & Reg. 21

► The amendments will contribute to:

1. Re-rating on Technical Compliance – Rec 1 (Assessing risks and applying a risk-based approach) (cr. 1.6 & 1.8 – exemptions and SDD measures may only be allowed where there is proven low risk)
2. Demonstrating positive and tangible progress in effectiveness on IO 1 (Understanding ML/TF risks) and IO 4 (FIs' and DNFBPs' understanding of ML/TF risks)

Thank you!