



REVIEW OF THE SECURITIES SECTOR'S NATIONAL RISK ASSESSMENT WITH GENERAL FINDINGS

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Market session- AML-CFT - The Money, the Law and You

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TTSEC as Supervisory Authority

Agenda:

- The National Risk Assessment
- Legislation
- Establishment of the Compliance and Inspections Division
- Components of AML/CFT inspections
- General Findings



National Risk Assessment

- Trinidad and Tobago authorities have recently completed a National AML/CFT Risk Assessment
- Results used to enhance and deepen the interpretation of money laundering and terrorist financing risks relevant to T&T
- Registrants' participation in this NRA assisted in the assessment of the securities sector's vulnerability to money laundering and terrorist financing risks



Relevant Legislation

- Proceeds of Crime Act (POCA) 2000
- Financial Obligations Regulations (FORs) 2010
- Anti-Terrorism Act (ATA) 2011
- Financial Intelligence Unit Regulations (FIU) 2011 (and guidelines)
- Securities and Exchange Commission AML/CFT Guidelines 2011 (currently under revision)
- Miscellaneous Provisions Act No 15.of 2014



The Division of Compliance and Inspections

- Established on January 9, 2014
- Implementation of a programme of onsite (including AML/CFT focused) inspections of registrants using a risk-based approach
- AML/CFT onsite inspections
 - Implementation of proper AML/CFT risk management systems



AML/CFT Inspection Components

- Oversight of the compliance function
- Testing of internal policies and procedures
- Assessment of internal controls
- Procedures governing customer identification, documentation and verification of customer information



AML/CFT Inspection Components

- Fit and proper test of the Compliance Officer
- Know your employees
- Procedures for identification and reporting of suspicious activities
- Training of staff in AML/CFT
- Mechanisms for storage and retrieval of documents



Compliance Programme

The CP should be designed to include policies, procedures and controls for:

- customer due diligence, identification and other measures;
- reporting of suspicious activity;
- adoption of a risk based approach to testing and monitoring of financial activities;
- a system of internal controls to ensure ongoing compliance;
- independent internal or external testing for compliance;
- training of personnel in the identification of suspicious transactions

The CP should be approved by the Board of Directors



Compliance Officers

The CO must be at a managerial level. The functions are to:

- ensure that the necessary compliance programme required by the FORs, is in place;
- coordinate and monitor the compliance programme;
- receive suspicious transaction reports, maintain records of such reports; and
- function as the liaison with the Financial Intelligence Unit



General Findings from Onsite Inspections

Compliance Programme:

- Registrants are not always compliant with customer due diligence (CDD) procedures – requirement to identify and verify owners of new accounts;
- Registrants appear to be ambiguous in their definition/identification of PEPs;
- Insufficient evidence of implementation of Enhanced Due Diligence or monitoring systems to determine reporting of suspicious activity



General Findings...

- Incomplete retrospective client due diligence
- Incomplete source of fund declarations
- Inadequate monitoring of complex or unusual larger transactions
- Inadequate AML/CFT training
- Non-filing of suspicious activities



Thank You.

