

ANTI-MONEY LAUNDERING AND COMBATTING OF TERRORISM FINANCING (AML/CTF) GUIDELINE

COMPANY/INSTITUTION	SECTION / CONTENT	COMMENT / QUESTIONS
Bankers Association of Trinidad and Tobago	<p>Part I - Section 5</p> <p>The Role of the Central Bank as the Supervisory Authority – Part V(b) speaks to the role of the CBTT in approving the Compliance Officer and the Alternate Compliance Officer</p>	<p>A time frame for the approval process would add value – it can be couched as within “x” days of receipt of all information requested by the CBTT.</p>
Bankers Association of Trinidad and Tobago	<p>Part II-Section 6.1 Customer Identification and Verification</p> <p>“Prior to establishing a business relationship, the financial institution should ensure that the customer’s identity has been verified. The customer’s physical identity should be verified using at least one form of picture identification which may be a valid passport, national identification card or driver’s license.</p> <p>Additional picture identification should only be requested by the financial institution as part of its enhanced due diligence efforts.</p> <p>Customers warranting SDD based on their risk profile should not be required to produce two forms of ID.”</p>	<p>Section 1.2 also suggests that copies of documents should only be accepted provided that they are appropriately certified.</p> <p>Guideline 10 of the CBTT’s 2011 AML/ATF Guideline provides specific examples of who would be deemed an appropriate certifier. For example a justice of the peace, notary public and a commissioner of affidavits are expressly included. However, the 2017 Draft Guideline appears to be silent on what constitutes an acceptable certifier. Clarification on who would be considered an acceptable certifier of an original document shall be welcomed.</p> <p>Guideline 10 of the Central Bank’s 2011 Guideline on Anti-Money Laundering and the Combating of Terrorist Financing provides that in the case of natural persons, face-to-face customers must, where possible, produce original identification documents bearing a photograph, and copies should be taken, retained and certified by the staff member. In the Draft 2017 version of the AM/ATF Guideline no reference is made to a requirement for staff to certify copies of KYC documents supplied by customers. Please confirm whether under the Draft AML/.ATF Guidelines there is no longer a requirement for staff to certify KYC documents provided by members of the Public.</p>
Bankers Association of Trinidad and Tobago	<p>Part II-Section 3.3 -Role of the Compliance Officer</p> <p>“Every financial institution shall for the purpose of securing compliance with section 55(A) of POCA and Regulation 3 of the FOR, designate a manager or official employed at a managerial level as the Compliance Officer¹³ of that institution¹⁴. The Compliance Officer must be approved by the Central Bank and</p>	<p>A timeframe within which feedback on a Compliance Officer’s application is to be expected shall be welcomed. The introduction of a time frame (14 days) within which approval would be granted shall be welcomed.</p>

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	<p>must therefore satisfy the definition of an “officer” as contained in the respective legislation¹⁵ that governs financial institutions and satisfy the “fit and proper” requirements outlined in the Central Bank’s Fit and Proper Guideline.... “</p> <p>“...Where a financial institution is also registered with the TTSEC, the financial institution must submit applications for the approval of a Compliance Officer simultaneously to each Supervisory Authority (SA). The application to each SA should indicate that an application was also submitted to the other SA. Where a financial institution has five or fewer employees, as may be the case with an insurance broker, bureau de change or money remittance business, the most senior employee shall be the Compliance Officer.”</p> <p>Role of the Compliance Officer – Part A of the second paragraph speaks to the reporting line for the Compliance Officer</p>	<p>In a situation where a Financial Institution is governed by two (2) Supervisory Authorities who may have different views on the suitability of an applicant, guidance is required on what recourse a Financial Institution has as this can result in significant delays in the approval process. For example where an applicant is approved by the CBTT to be designated Compliance Officer but not approved by another Supervisory Authority, can that person still exercise the functions of a Compliance Officer? It is submitted that some degree of collaboration between Supervisory Authorities is necessary when assessing applications for the approval of Compliance Officers and Alternate Compliance Officers.</p> <p>We seek clarification regarding the type of supporting documents needed to accompany the request for approval of the Compliance Officer by the CBTT. The Guidelines should expressly provide for this.</p> <p>Whereas the regulation 3(3) of the Financial Obligations Regulations and section 2.3 of the Draft Guidelines prescribe that for FIs with fewer than 5 employees the most senior employee must be designated the Compliance Officer, this requirement can become financially burdensome to smaller FI's.</p> <p>We recommend that consideration be given to an amendment to the FOR and Draft AML/ATF Guidelines to increase the number of employees to 20.</p> <p>The very first line should read the Compliance Officer “and the</p>

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		<p>Alternate Compliance Officer”.</p> <p>Part (a) noted that the Compliance Officer should have a “direct reporting line to Senior Management and where necessary to the Board of Directors.” Please clarify as it is understood that the requirement is that the Compliance Officer must have direct access to the Board or a designated Committee of the Board in order to ensure independent access.</p>
Bankers Association of Trinidad and Tobago	<p>Part II-Section 3.3 -Role of the Alternate Compliance Officer</p> <p>Financial institutions are required to appoint a senior employee as an alternate to the Compliance Officer (ACO) in accordance with Regulation 3(8) of the FOR who would have the same responsibilities of the Compliance Officer (in his absence). In the performance of his duties, the ACO should have regard for and effectively perform all the duties of the Compliance Officer as outlined in the FOR and this Guideline. Consequently, all requirements and responsibilities stipulated for the Compliance Officer under this part also apply to the Alternate Compliance Officer.</p>	<p>It is noted that the section provides that the ACO must be a senior employee and the Compliance Officer must satisfy the definition of “Officer” as outlined in the Financial Institutions Act. Clarification is required on whether the ACO would also be required to satisfy the definition of an “Officer” under the Financial Institutions Act or if that person can be a senior team member and not necessarily employed at management level.</p> <p>Further, re an ACO, similar to a CO, the expectation from the CBTT appears to be an assessment of whether the person is a “senior employee”- the person should have sufficient authority and autonomy to implement and enforce AML/CTF policies, procedures and measures at the institution; whether the person is sufficiently trained to carry out the compliance function at the institution / has knowledge of the requirements of local laws, regulations and guidelines which govern AML/CFT; independence - potential conflicts of interest that may arise between the compliance responsibilities of the CO/ACO and any other responsibilities that the person may have at the institution would be considered. For smaller organizations of even 50 or more staff, meeting all of these criteria may not be possible, therefore leading to a potential breach of the requirement of having an ACO. Consequently, there may be instances where a waiver of any of the 3 said criteria above may be possible e.g. where there is a centralized compliance unit where the</p>

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		potential alternate may not meet all criteria but has the sufficient support of an individual in the centralized compliance team who meets the criteria. The CBTT should consider where such appropriate waiver of the criteria may be given and what measures would need to be in place to compensate in order to achieve acceptable compliance with the requirement for an ACO.
Bankers Association of Trinidad and Tobago	<p>Part II- section 5.3 Identifying and Understanding ML/TF Risks</p> <p>In order to develop a risk based AML/CFT compliance programme, a financial institution must first conduct a risk assessment to understand its risks. Risk assessments should help financial institutions understand the inherent ML/TF risk exposure and which areas of their business they should prioritise in the fight against ML/TF. The risk assessment should be approved by the Board and form the basis for the development of policies and procedures to mitigate ML/TF risks. It should reflect the risk appetite of the institution and establish the risk level deemed acceptable. During an examination, the Central Bank will request and evaluate the adequacy of the financial institution’s risk assessment.</p> <p>Financial institutions are also required to incorporate the results of the National Risk Assessment (NRA) into their ML/TF risk assessment process and apply the appropriate simplified or enhanced measures commensurate with the identified risks. Guidance on conducting risk assessments is provided in Part II of this Guideline.</p>	While the Draft Guideline states that a financial institution must conduct a risk assessment to understand its risk, it appears to be silent on how frequently a risk assessment must be conducted. Guidance on the frequency of the risk assessment to be conducted shall be welcomed.
Bankers Association of Trinidad and Tobago	<p>Part II Section 5.2 AML/CFT Compliance Programmes of Financial Groups</p> <p>Financial groups should appoint a group compliance officer with</p>	The Financial Obligations Regulations speaks to each entity having a designated compliance officer and that the officer must be an employee of that entity.

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	<p>responsibility for the group wide AML/CFT programme and to ensure its effective implementation. The group compliance officer should have the ability to monitor and evaluate the ML/TF risk posed by a particular customer or category of customers to the group. Policies and procedures should include management of group relationships that have been deemed high risk, including procedures for escalation and restrictions and/or termination of accounts or relationships.</p> <p>The group compliance officer should report to the parent financial institution’s Board on the adequacy of the enterprise wide programme; concerns with and recommendations for high risk relationships; any issues and material changes with remedial actions and milestones; adequacy of resources supporting the programme; and make recommendations regarding the overall structure of the programme as necessary. The group compliance officer should also provide feedback to the compliance officers of the individual financial entities in the group on observed emerging typologies, trends and risk across the group.</p> <p>Risk Based AML/CFT Compliance Programmes (page 15) – Part (d) of the last paragraph in this section requires the “designation of an individual responsible for managing AML/CFT Compliance”</p>	<p>At first blush it would appear that the appointment of a Group Compliance Officer as contemplated under section 4.2 is not supported in law and will not give FIs the flexibility to appoint a Group Compliance Officer.</p> <p>Certain amendment would need to be made to the legislation (POCA and FOR) to facilitate the appointment of a Group Compliance Officer. Clarification on the application of group compliance officer role as outlined under section 4.2 in light of certain restrictions contained in the FOR shall be welcomed.</p> <p>This seems quite vague. Is this intended to reference the Compliance Officer designation? If so can the section be specific for avoidance of doubt?</p>
Bankers Association of Trinidad and Tobago	<p>Part II-7.1-Politically Exposed Persons</p> <p>It is not expected that financial institutions will automatically treat domestic PEPs and PEPs associated with an international organization as high risk. Once the PEP status has been established, the financial institution must assess the customer to determine whether the relationship poses a high ML/TF risk and categorize the relationship and conduct due diligence accordingly. Risk factors which may be considered include the</p>	<p>To the extent that these provisions qualify the application of enhanced due diligence measures to domestic PEPs only where higher risks are identified, this runs counter to certain financial institutions internal Policies which prescribe that all confirmed PEPs are considered automatic High-Risk and are therefore subject to enhanced monitoring. Given the higher money laundering risks that domestic PEPs traditionally pose, it should be left up to Financial Institutions to make a determination of enhanced due diligence measures to be applied to these</p>

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	<p>political environment and the vulnerability of the PEP’s country to corruption, the rationale for wishing to open an account in a jurisdiction other than where political office is held and the products or services sought by the PEP...”</p> <p>Part IV -4.1 Politically Exposed Persons 4.1 ...Some examples of a close associate may include a person who is inter alia: “in a romantic relationship with a PEP, such as a boyfriend, girlfriend or mistress;” “ “</p>	<p>customers. We respectfully request that consideration be given to amending the section to make it clearer that allowances will be made for financial institutions whose internal policies and procedures provide for the automatic risk rating of Domestic PEPs as higher risk.</p> <p>It is also noted that section 4.1 of the Guideline states that a close associate can include someone in a romantic relationship with a PEP. It is submitted that identifying such persons could be challenging for Financial Institutions since the number of persons who qualify as boyfriends and girlfriends of a PEPs is fluid, and may change significantly over time. Given the uncertainty and nebulous nature of a “romantic relationship”, we recommend that strong consideration be given to amending the example of a close associate to a person in a known romantic relationship with a PEP.</p>
<p>Bankers Association of Trinidad and Tobago</p>	<p>Part I- 8.4 Ongoing Monitoring and Review</p> <p>In addition to keeping risk assessments up to date and relevant, financial institutions must monitor transactions to ensure that these are in line with the customer’s risk profile and business and where necessary, examine the source of funds to detect possible ML/ TF. Documents, data or information must be kept up to date on a risk-sensitive basis, with a view to understanding whether the risk associated with the business relationship has changed.</p>	<p>Clarification is required on whether the intention of the section and similar provisions throughout the Draft Guidelines, is to require Financial Institutions to reach out for updated identification from customers when same becomes expired. The requirement to maintain current customer identification documents has been particularly challenging for most Banks. It is impractical to comply with particularly where a financial institution has thousands of customers in its database. Significant time and resources is required to track expired IDs which would have been valid at the material time that they were on boarded. The associated cost with implementing technology to track IDs of a customer data base can be prohibitive, particularly for smaller financial institutions.</p> <p>Strong consideration should be given to addressing the following risk based approach to updating CDD:</p> <p>(a) for higher risk categories of customers, a bank should obtain updated CDD information (including updated copies of the customer’s passport or identity documents if these have expired), as part of its periodic CDD review, or upon the occurrence of a trigger event as</p>

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		<p>deemed necessary by the bank, whichever is earlier; and (b) for all other risk categories of existing customers, a bank should obtain updated CDD information upon the occurrence of a trigger event.</p> <p>Trigger events can include a significant transaction taking place, a material change occurring in the way the customer's account is operated, change in management or authorized signers or where the bank becomes aware that it lacks sufficient information about the customer concerned.</p>
Bankers Association of Trinidad and Tobago	<p>Part II Section 6.1</p> <p>Customer Identification and Verification The fourth paragraph down gets into the ID requirements for customers</p>	The section seems quite prescriptive, and the preference would be that the minimum standard be set (1 form of ID) and Banks should be allowed to manage outside of that requirement based on their risk profiles and internal policies.
Bankers Association of Trinidad and Tobago	<p>Part II Section 6.3</p> <p>Lower Risk/Simplified Due Diligence</p>	While this and the entire tone of the customer due diligence sections is welcomed, the legislative changes to support the same are necessary, as Banks will run into issues with both local auditors and correspondent banks who may do on sites. The CBTT Guideline as presented allows for deferrals in terms of the timing and receipt of documents, and suggests that some requirements are “nice to have” as opposed to mandatory (this is applicable throughout the Guidelines so we have not identified each specific one). This does not align with the current Financial Obligations Regulations, and timely amendments to that piece of legislation are welcomed.
Bankers Association of Trinidad and Tobago	<p>Part II Section 6.4</p> <p>Higher Risk/Enhanced Due Diligence</p>	The second paragraph notes that the “commencement of a business relationship with a high risk customer must be approved by senior management”. This seems quite onerous, particularly depending on the way that different Banks define “senior management”. The preference would be to ask that a process for escalated approval of high risk accounts be included in the Banks’ respective risk frameworks.
Bankers Association of Trinidad and Tobago	<p>Part II Section 7.1.1</p> <p>Politically Exposed Persons Time Limits on PEPs</p>	We welcome the ability to de-classify PEPs depending on passage of time and actual influence following their departure from public life –

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		can a minimum “cooling off” period be set though for some consistency?
	<p>Part II 7.2 Non Face-to-Face Business</p> <p>“It is important to note that not all non-face-to-face business relationships will present higher risk. Examples of potentially higher risk situations include where there is no direct face-to-face communication with the customer such as during the account opening process or where products or services facilitate anonymity.</p> <p>Examples include conducting transfers according to instructions conveyed by customers over the internet, post, fax or telephone. Non face-to-face applications and transfers undertaken across the internet pose greater risks than other non-face-to-face business due to the following factors which collectively aggravate the ML/TF risks:</p> <ul style="list-style-type: none"> • The ease of unauthorized access to the facility, across time zones and location; • The ease of making multiple fictitious applications without incurring extra cost or the risk of detection; • Absence of physical documents; and • The speed of electronic transfers. • The measures taken for verification of a customer’s identity in respect of non-face-to-face business relations with or transfers for the customer will depend on the nature and characteristics of the product or service provided and the customer’s risk profile.....” 	<p>Certain Postal, Telephonic and Electronic Business With a view to promoting the ease of doing business it is respectfully recommended that similar to territories such as Antigua, St. Kitts and St. Lucia the consideration be given to amending the section to expressly provide that where an applicant for business pays or intends to pay monies to a financial institution by post, or electronically, or by telephoned instruction, in respect of a non-paying account and:</p> <ul style="list-style-type: none"> • it is reasonable in all the circumstances for payment to be made by such means; and • such payment is made from an account held in the name of the applicant for business at another local regulated business, or recognized foreign regulated business; and the name(s) of the applicant for business corresponds with the name(s) of the paying account-holder; and • the receiving financial institution keeps a record of the applicant’s account details with that other regulated business; and • there is no suspicion of money laundering or terrorist financing, The financial institution is entitled to rely on verification of the applicant for business by that other regulated business to the extent that it is reasonable to assume that verification has been carried out and completed. <p>The expression “non-paying account” above is used to mean an account, investment or other financial services product which does not provide:</p> <ul style="list-style-type: none"> • cheque or other money transmission facilities, or • the facility for transfer of funds to other types of products which do provide such facilities, or • The facility for repayment or transfer to a person other than the applicant for business whether on closure or maturity of the account,

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		or on realization or maturity of the investment or other financial services product or otherwise.
Bankers Association of Trinidad and Tobago	Part II Section 7.5 Technological Developments	On a general note, given the advent of BITT coin, e money and these other fast evolving technologies, some specific guidance is welcomed from the CBTT regarding both partnering with and banking these types of business – particularly with regard to CDD, non-face to face account opening, electronic signatures etc. A wider discussion may be needed here.
Bankers Association of Trinidad and Tobago	Part II Section 8.1 Reporting Suspicious Activity and Transactions “Promptly” to the FIU	The law specifies 14 days of a transaction being deemed suspicious by the Compliance Officer (not transaction). The introduction of “promptly” further muddles an already grey timeframe. Some further review of how to measure the timeliness of filings given the realities of the investigative process are welcomed.
Bankers Association of Trinidad and Tobago	Part II- Section 9. Identification Of Designated Entities And Persons & Freezing Of Funds Financial institution’s policies and procedures should address...: “The steps to be taken by the financial institution for reporting positive matches to senior management and the FIU”	We welcome clarification on the Senior Management to whom positive matches resulting from Sanctions screening must be reported to under this section. Is it the Compliance Officer?
Bankers Association of Trinidad and Tobago	Part IV-1.2 Documentary Verification Procedures “1.2 Even though not required or necessary in all circumstances, given the availability of counterfeit and fraudulently obtained documents, financial institutions should review more than a single document to ensure that it has a reasonable belief that it knows the customer’s true identity. In addition, where original documents are not available, the	Part II Section 6.1 asserts that a customer’s identity must be verified using at least 1 piece of picture Identification and that additional picture identification should only be requested by the financial institution as part of its enhanced due diligence efforts. However, Part IV section 1.2 states that Financial Institution should review more than a single document to ensure that it knows the customer’s true identity. Clarification is required on the expectation of the CBTT as it relates on the collection of identification by Financial

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	financial institution should only accept copies of documents that have been appropriately certified”	Institutions as there appears to be some contraction between sections 5.1 and 1.2.
Bankers Association of Trinidad and Tobago	<p>Part IV-1.4 Identification and Verification of Identity of Persons Appointed to Act on a customer's behalf</p> <p>“Where there are several persons appointed to act on behalf of more than 10 authorised signatories), the financial institution should verify at a minimum those natural persons who will be dealing directly with the financial institution”</p>	There is an opportunity for greater clarification on the application of this section. Does this requirement apply to a company and/or individual customers?
Bankers Association of Trinidad and Tobago	<p>Part IV 4.4 Introduced Business</p> <p>A financial institution may rely on other regulated third parties to introduce new business in whole or in part. Nevertheless, the ultimate responsibility remains with the financial institution for customer identification and verification that the documentary evidence of the introducer that is being relied upon, is satisfactory for these purposes.</p> <p>Financial institutions should therefore:</p> <ul style="list-style-type: none"> • Document in a written agreement the respective responsibilities of the two parties; • 	<p>The requirement contained in sub-paragraph 4.4 for a written agreement documenting the responsibilities of the Financial Institution and the Introducer is duly noted.</p> <p>We require clarification on whether the said agreement between the parties is the same or additional to the Regulation 14(1) (a) FOR requirement for a written assurance from the introducer that the identity of the customer has been verified.</p>
Bankers Association of Trinidad and Tobago	Part IV – Section 4.1 Politically Exposed Persons	<p>The wording of the first paragraph needs to be re-looked. The section notes that the “definition of PEP is not intended to cover middle ranking or junior individuals” – this is acceptable – but then it goes on to read “in the following categories” and proceeds to list several categories of persons who really cannot be construed as middle ranking or junior.</p> <p>The second paragraph identified some examples of close associates of a PEP and includes “a person who is in a romantic relationship with a</p>

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		PEP, such as a boyfriend, girlfriend or mistress.” This may be a stretch, and inappropriate for a Bank to make a concrete determination on, and could lead to issues in front line team member dealings with such persons if EDD is requested and enquiries are made as to why. Some guidance and clarity is needed. The second to last bullet in this section notes close associates of PEPs include “a person who is serving on a member of the same Board as a PEP”. Especially given that close associates of PEPs are deemed PEPs, this seems quite far reaching.
Bankers Association of Trinidad and Tobago	Part II Section 4.1.4 Examples of Risk Indicators for PEPs Lower Risk Indicators for PEPs	The first paragraph notes “a PEP may pose a lower risk if he/she solely operates in a country such as the UK that has the following characteristics...” Recommend that the words “such as the UK” be removed. There are some bulleting errors (typos) from page 15 into 16 – to be amended.
Bankers Association of Trinidad and Tobago	National Risk Assessment Financial institutions are also required to incorporate the results of the National Risk Assessment (NRA) into their ML/TF risk assessment process and apply the appropriate simplified or enhanced measures commensurate with the identified risks.	The CBTT and other relevant key stakeholders involved in the process of doing and publishing the NRA, are encouraged to ensure that the NRA is published and commensurately current to be relevant. The Guidelines should state how often the NRA will be done and available to FIs therefore.
Bankers Association of Trinidad and Tobago	Other General Observations/Comments Grace period for Auditors	Given the focus of RBA in the Guidelines, this will impact the external auditors’ annual audit review of FI’s. It is noted in this regard that while the CBTT will meet with ICATT to discuss such audit changes , that there be a grace period of perhaps a year for measures in the guidelines to be considered and met by the FI’s and the auditors alike. Auditors should also in this vein be encouraged to seek the FI’s basis for their processes and procedures rather than seeking a one size fits all (with the RBA does not support). 1. The requirement to secure a reference from a foreign bank for foreign customers under regulation 15(3) of the Financial Obligations Regulations is not always practical to achieve as some

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		entities.
BUREAU DE CHANGE		
Eastern Credit Union	<p>Part V – Sector Specific Guidance for Bureaux</p> <p>Section 2: Bureaux may conduct simplified due diligence in the following instances ; One-off transactions or occasional transactions below TT\$90,000 where the transaction is carried out in a single operation or in several operations that appear to be linked.</p>	<p>The Terms and Conditions 2.2 Limits i. A Bureau may sell foreign exchange to a maximum of US\$5,000 per single transaction. The statement above may be misconstrued to consider that a single sale transaction can be equivalent to TT\$90,000.</p>
GraceKennedy (Trinidad and Tobago) Limited	Effective Date of Guidelines	The guidelines will take effect October 1, 2017. Therefore systems and policies will have to be revised accordingly. Can CBTT re-evaluate the deadline?
GraceKennedy (Trinidad and Tobago) Limited	Part II - General Guidance	<p>Section 3.3 Role of the Compliance Officer Can the alternate compliance officer be outside the market?</p> <p>Section 6.4 Higher Risk/Enhanced Due Diligence Regarding Senior Management's approval of a business relationship with a high risk customer; is this process required for customers other than PEPs?</p>
GraceKennedy (Trinidad and Tobago) Limited	Part IV - Risk Based Customer Due Diligence	Section 1.6 Further Verification of Information on the basis of Risk If contacted would the bank give a reference on behalf of a customer?
GraceKennedy (Trinidad and Tobago) Limited	<p>Part V - Sector Specific Guidance</p> <p>C - Sector Specific Guidance for Money Remitters</p>	Monitoring and Screening Systems and Processes Money remitters are reminded to include relevant originator and beneficiary information on payment transfers. Is this information required on receipts?
GraceKennedy (Trinidad and Tobago) Limited	Part V -Section 2.4 Principal-Agent Relationships	Is GKTT required to investigate cash holdings each time an Agent exceed expected levels?
Millennium Finance and Leasing Company Limited	<p>Part II-Section 7.1</p> <p>Foreign PEP's – "Foreign PEP's , their immediate family members and their close associates must automatically be treated as high-risk clients and can be subject to EDD measures,</p>	1. Foreign Diplomats who do not hold public office, but are in possession of a diplomatic passport: are they to be treated as a high risk PEP's and therefore subjected to EDD Measures?

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	including reasonable measures to establish their source of wealth and source of funds for the business relationship.”	2. How can we verify if someone is an immediate family member or close associate of a PEP?
Millennium Finance and Leasing Company Limited	Part II- Section 4.2 – Internal audits	<p>1. What recourse is there where the Internal Auditor considers a transaction to be suspicious but the compliance officer is not in agreement?</p> <p>2. Would CBTT consider partnering with accounting bodies to provide additional guidelines for Internal / External Auditors and would they also consider providing various seminars to deal specifically with the areas of Internal Auditing as this type of audits go beyond the scope of a financial audit.</p> <p>3. Reporting of Suspicious transactions –information obtained from a FIU Seminar held on Friday 11th August,2017, stated that there are to be no physical copies of STR reports to be maintained by a Company. It was also stated at the seminar that the Internal and External Auditors are not privy to these STR Reports filed with the FIU. Your further guidance is required in this area to facilitate Internal and External Audit testing.</p>
Millennium Finance and Leasing Company Limited	Part IV – Risk Based Customer Due Diligence (Table #1)	<p>What are the basic requirements for Simplified Due Diligence (SDD)?</p> <p>Section 1 - Identification and Verification of Individuals</p> <p>1. This states that at a minimum level the bureau only needs – legal name, complete residential address, nationality and ID number, and place of birth. It is also stated in Table 1(a) at the bottom of the table that “all of this information will not be required in low-risk situations, when simplified due diligence can be applied.</p> <p>2. Since 99% of our clients are low-risk do we continue to ask for all the information which we normally do?</p>

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		3. It is stated also that the information can be collected to build the Customers risk profile. At which point do we move from Simplified Due Diligence (SDD) to Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD). Do we wait until internal threshold is reached before we ask for employer and occupation etc.?
Trinidad and Tobago Unit Trust Corporation	Part II , General Guidance - Section 3 AML/CFT Governance Framework “3 lines of Defense Model”	The 2 nd line of defense should be broaden to include the Risk Management function as part of the 3 Lines of Defense Model. (Refer Institute of Internal Auditors)
Trinidad and Tobago Unit Trust Corporation	Part II General Guidance Section 3.2 Role of Senior Management “Employee Training Programme”	The word “Awareness” should be included after “Training” wherever it appears in the Guideline. (d) should therefore read as follows:- “There is an ongoing employee Training and Awareness Programme.....”
Trinidad and Tobago Unit Trust Corporation	Part II – General Guidance Section 3.3 Paragraph 5 AML/CFT Governance Framework Role of the Compliance Officer “Financial Institutions should appoint a senior employee as an alternate to the Compliance Officer (ACO) in accordance with Regulation 3(8) of the FOR who would have the same responsibilities as the Compliance Officer (in his absence).”	The paragraph should be expanded to state that the “Financial Institutions should designate a manager or official employed at the “managerial level as an alternate to the Compliance Officer.....” This is necessary for consistency with section 55(A) of POCA and Regulation 3 of the FOR.
Trinidad and Tobago Unit Trust Corporation	Part II - General Guidance Section 3.3 Role of the Compliance Officer “The nature of the reporting lines between the Compliance Officer and management of operation/business units.”	Consideration should be given to interpretation proffered by the Institute of Internal Auditors for greater clarity with respect to reporting lines to achieve organizational independence.
Trinidad and Tobago Unit Trust Corporation	Part II General Guidance Section 5.2 AML/CFT Compliance Programmes of Financial Groups	Clarification is required regarding the requirements for the appointment and approval of the group compliance officer by the regulator.

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	<p>“Financial Institutions should appoint a group compliance officer with responsibility to the group wide AML/CFT programme and to ensure its effective implementation.</p>	
Trinidad and Tobago Unit Trust Corporation	<p>Part II Page General Guidance Section 5.2 AML/CFT Risk Management Group Wide AML/CFT Compliance Programmes</p> <p>“The group compliance officer should also provide feedback to the compliance officers of the individual entities in the group on observed emerging typologies, trends and risk across the group.”</p>	Clarification is required whether compliance officers of the individual entities who are registered as such in countries where the foreign subsidiaries are domiciled are also required to be registered as compliance officers with the local regulators and if so, what are the requirements for the process.
Trinidad and Tobago Unit Trust Corporation	<p>Part II– General Guidance Section 5.4 Ongoing Monitoring and Review “Customer risk assessments should be reviewed at least annually for higher risk customers.”</p>	Consideration should be given to the extending the review period to at least every 2 years or unless there is a material change which may warrant a more frequent review. A frequency of every year appears to be highly prescriptive and onerous and will place a financial administrative burden on institutions to implement.
Trinidad and Tobago Unit Trust Corporation	<p>Part II General Guidance Section 6 Knowing Your Customer (KYC) and Customer Due Diligence</p> <p>Bulleted Point #3 “Conducting one-off or occasional wire transfers above TT\$ 6,000 where the transaction is carried out in a single operation or in several operations that appear to be linked.”</p>	Consideration should be given to reviewing the equivalence of the “de minimums limit” as set out by the FATF given the fluctuations in the US currency exchange rate.
Trinidad and Tobago Unit Trust Corporation	<p>Part II Page 18 – General Guidance Section 6.4 Higher Risk/Enhanced Due Diligence “The commencement of a</p>	Clarification is required regarding The following requirement requires clarification:

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	<p>business relationship with a high risk customer must be approved by senior management. Senior management should have sufficient oversight to make an informed decision on the level of the ML/TF risk the institution would be exposed to if it enters into or continues that business relation and how well equipped it is to management that risk effectively.”</p>	<p>“Senior management should have sufficient oversight to make an informed decision on the level of the ML/TF risk the institution would be exposed to if it enters into or continues that business relation and how well equipped it is to management that risk effectively.”</p> <p>The expectation of senior management with respect to determining the risk exposure for the onboarding of high risk customers is unclear. Please clarify what is meant by “sufficient oversight to make an informed decision...” How is the fulfilment of this requirement to be evidenced? The requirement/expectation needs to be clearly defined so that it may be effectively administered.</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part II General Guidance Section 8.3 Internal Reporting Procedure</p> <p>“All employees must be made aware: Of the identity of the designated compliance officer and that is identity is to remain confidential.”</p>	<p>Clarification is required regarding the minimum standard that is required to ensure confidentiality since examiners require evidence that confidentiality is being upheld.</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part II General Guidance Section 8.4 “Ongoing Monitoring of Relationships”</p>	<p>This section should also include a reference to “tipping off” as an additional bulleted point.</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part II General Guidance Section 10 Knowing Your Employee (KYE)</p> <p>“Financial institutions should ensure to the extent permitted by the laws of the relevant country, that similar recruitment policies are followed by its branches, subsidiaries and associate companies abroad.....”</p>	<p>Clarification is required regarding the minimum standard that is required to ensure that the recruitment policies are being followed for foreign subsidiaries.</p>

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Trinidad and Tobago Unit Trust Corporation	<p>Part II General Guidance Section 10 Knowing Your Employee (KYE)</p> <p>Training and Awareness</p> <p>“Ensure that all members are aware of the identity of the Compliance Officer and/or the Reporting Officer to whom they should report unusual or suspicious transactions.”</p>	<p>Clarification is required regarding the definition of the “Reporting Officer” and whether approval is required by the regulator for the appointment of the “Reporting Officer” and if so, what is the requirement.</p> <p>Consideration should also be given to the inclusion of a “confidentiality clause.”</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part IV– Risk Based Customer Due Diligence</p> <p>Section 3-Third Party Reliance</p> <p>“The basis for deciding to place reliance on a third party for CDD documented and approved by senior management.</p>	<p>This statement in its present context is unclear. Consideration should be given to rewording the sentence.</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part V– Sector Specific -Guidance – D</p> <p>Sector Specific Guidance for Bureaux De Change</p> <p>The bureau should also have appropriate measures to identify where the customer is a foreign PEP as well as reasonable measures to identify domestic and HIO PEPs.</p>	<p>A definition for “HIO” is not included in list of abbreviations listed on Page V (after the Table of Contents)</p>
Trinidad and Tobago Unit Trust Corporation	<p>Part V – Sector Specific Guidance – D</p> <p>Sector Specific Guidance for Bureaux De Change</p> <p>Bulleted Point #5</p> <p>“Ensure that all employee know who the compliance officer is and the process for reporting unusual or suspicious activities and transactions.”</p>	<p>Consideration should also be given to the inclusion of a “confidentiality clause.”</p>
Trinidad and Tobago Unit Trust Corporation	<p>General Observation</p>	<p>An appendix should be included for Risk Indicators for Money Laundering.</p>

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IBATT (BROKERS)		
IBWIL (Insurance Brokers West Indies Limited)		<ol style="list-style-type: none"> 1. Should a broker have a separate PEP form which must be completed by the client? 2. Is the Elections and Boundaries Commission registration sufficient for address verification, in cases where the client does not have a utility bill or bank statement? 3. Business entities are very reluctant to give their financial statements, would any other document work?
RMS	General Statement	<ol style="list-style-type: none"> 1) When general insurance is made exempt, will the exemption be retroactive to 2010? If not, and general insurance is made exempt in 2017 or 2018, will the requirement for holding records for six years remain? 2) CBTT has been conducting sessions on AML by sector. Would it be possible for cross sectional sessions for commercial banks, insurers, brokers, internal and external auditors so that everyone is on the same page.
RMS	<p style="background-color: #90EE90;">Part IV- Risk Based Customer Due Diligence Customer and Beneficiary Risk Factors</p> <p>Payments from banks not established in the customer's country of residence</p> <p>Payments received from third parties that are not associated with the contract</p> <p>Catchup contribution to a retirement plan close to retirement date</p>	<p>2 ii) In relation to the beneficiary, insurer has been made aware of a change in beneficiary only when the claim is made Must have a Letter of administration to make a change in beneficiary. Comment: Possible because people live overseas but have local bank accounts or vice versa. Comment: Family members may make payments on behalf of elderly or ailing family member Comment: Taught to do exactly that in financial planning.</p>

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RMS	Distribution Channel Risk Factors Country or Geographic Risk Factors Higher risk – the insurer, customer, beneficial owner are in different jurisdictions	Comment: Entirely possible depending on the customer.
RMS	Simplified Customer Due Diligence Low risk situations, insurers may consider that verification of the identity of the customer is fulfilled on the basis of a payment drawn on an account in the sole or joint name of the customer with regulated financial institution.	Comment: Does this apply to business customers as well as individuals?
RMS	Reliance on Intermediaries for CDD The insurance intermediary must submit such information to the insurer upon request and without delay.	Comment: Does the previous 30 day period for introducers apply here?
RMS	Part V Sector Specific Guidance For Money Remittance Businesses	Comment: If this applies to insurance, can examples of a money remitter be given?
RMS	Part II – General Guidance Section 10 -Knowing your Employee (KYE) “Financial institutions should monitor the wealth of employees paying particular attention to employees whose lifestyles cannot be supported by their salary. Supervisors and managers should be encouraged to know staff in their department and investigate any substantial changes in their lifestyles which do not match their financial condition”.	Question What level of investigation should a Supervisor undertake? This could be a security risk to the Supervisor. Also, can this be considered an invasion of privacy by the employee (HR issue)?
RMS	Part IV Section 1.2 Documentary Verification Procedures “A documented record of a site-visit by an employee of the FI to the individual’s residential address”.	Question On our KYC form this is an option to “tick” as having completed. Is this acceptable or is proof required that this was done? If so, what proof?
RMS	Part IV Section 4.1.3 Higher Risk Indicators for PEPs – “Subject to credible allegations of financial misconduct (eg. Facilitated, made or accepted bribes)”.	Question In a report from an established news organisation alleging misconduct, is the standard for credibility based on :

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		<ol style="list-style-type: none"> 1) The report of the allegation 2) when investigations are reported as being held, or 3) only when charges are laid ?
RMS	<p>Part V Sector specific guidelines for Insurance.</p> <p>Risk Factors</p> <p>“In conducting its risk assessment the insurer must consider the level of exposure faced by the business having regard to the following risk factors”.</p>	<p>Question</p> <p>Is the term insurer specific to them or is it used here as a general term to include intermediaries and agents?</p>
RMS	<p>Part V Section 2.3 Simplified Due Diligence.</p> <p>In low risk situations insurers may consider that verification of the identity:</p> <p style="padding-left: 40px;">Of the customer is fulfilled on the basis of a payment drawn on an account in the sole or joint name of the customer with regulated financial institution;</p> <p style="padding-left: 40px;">Of the beneficiary of the contract is fulfilled on the basis of a payment made to an account in the beneficiary’s name at a regulated financial institution</p>	<p>Question</p> <p>Is CBTT saying that premiums paid via cheque or a claim or refund cheque which is crossed (and has to be deposited in a bank) can be used as verification of identity? CBTT to clarify.</p>
RMS	<p>Part II Section 7.6 Reporting Declined Business</p> <p>“Where an applicant for business or a customer fails to provide adequate documentation, including the identity of any beneficial owners or controllers, consideration should be given to filing a SAR”.</p>	<p>Question</p> <p>From other documents/sources we may know their identity eg. Annual Returns or the Company website. We just won’t have an actual gov’t issued ID. Can this be used instead of filing a SAR?</p>
INSURANCE		
ATTIC	National Risk Assessment	<p>This is not yet published. If this sets the tone for a company’s risk assessment, then what do we refer to in the meantime? The law as it stands requires a risk assessment to be done but companies do not have a reference point. So even with these Guidelines, we still need the risk assessment.</p> <p>In this regard we have been told that coming out of the national risk assessment certain classes of insurance namely general, health and term</p>

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		<p>life are low risk. This is also supported by the FATF standards in respect of the insurance sector which apply to underwriting and the placement of life insurance and other investment related insurance. Since the laws are supposed to be guided by these FATF standards why do local laws apply to these classes on insurance.</p> <p>We have been advised that consideration is being given to exempting these classes of business from the requirement to observe Section 55 of the POCA 2000 and the FOR 2010. How long will this take? Because in the meantime we are still being subjected to on- site inspections, internal and external audits and therefore must focus on strengthening our processes in this area knowing that at some time in the future this will no longer be a requirement.</p> <p>In raising this at the consultations we were told that we should in the meantime apply simplified due diligence however when we look at the last paragraph of page 12 of the Sector Guidance on insurance, this refers to third party motor insurance with low premiums which seems to suggest that distinctions are being made within the general insurance sector.</p>
ATTIC	Part II General Guidance Section 3 AML/CFT Governance Framework	They draw reference again to a specific document - BIS Three Lines of Defence. The BIS has subsequently re-issued an updated model - The Four Lines of Defence, as multiple shortcomings were identified in the initial model.
ATTIC	Part II-General Guidance- Section 5.2 AML/CFT Compliance Programmes for Financial Groups	<p>This refers to the formulation and creation of a “group wide AML/CFT Programmes and the establishment of proper group oversight and reporting structures and the appointment of a Group Compliance Officer. Should this be the “Group Chief Compliance Officer”?</p> <p>The role of the group function is very vague. Although there is a provision in the FOR there is no further prescription on the function such as-</p> <p>- what is the relationship between the subsidiaries’ compliance officers</p>

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		<p>and the Group Compliance Officer. Is there a reporting relationship? This is certainly not recognized by any of the regulators to date.</p> <ul style="list-style-type: none"> - at what level of seniority should the Group Compliance Officer to be employed in the organization? - The provisions as they stand do not afford groups the flexibility to properly structure a competent and independent Group Compliance Function with authority over group subsidiaries nor to attain synergies. Often during the conduct of on- site examinations the existence of a group compliance function as it interfaces with subsidiaries is ignored. - The concept of independence is also not recognized by regulators and often designated compliance officers may have conflicting responsibilities so long as they are “employees” of the company.
ATTIC	Part II Section 6.3 Lower Risk/SDD	<p>“One off or Occasional Transactions”</p> <p>Is there a definition of these?</p> <p>Can insurance companies conduct these given the nature of the business?</p>
ATTIC	Part IV Section 3 – Third Party Reliance	<p>We believe that it would be a more prudent approach for the CBTT to specify that brokers must comply with all reasonable requests for KYD/CDD data from the underlying insurance company rather than putting the onus on the insurance company to terminate the relationship in the event of any failings. This can potentially adversely impact the insured status of the underlying client.</p>
ATTIC	Part IV Section 4.9 – Correspondent Relationships	<p>With regard to correspondent banks in FATF compliant countries such as the U.S. or U.K., where regulatory oversight is deemed to be quite stringent, why can't Simplified Due Diligence on a risk based approach be utilized</p>
ATTIC	Part IV Section 3 Third Party Reliance :- Financial institutions may rely on third party financial institutions for the performance of elements of customer due diligence.	<p>Third party reliance can be risky to the company as the ultimate responsibility remains with the FI. The risk exposure to the company maybe too high.</p>

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	In such instances however, the ultimate responsibility and accountability remain with the financial institution that is placing reliance on the third party.	
ATTIC	PART IV- Section 3 Third Party Reliance	<p>Some time ago the CBTT released a circular dated 27th January 2016 referenced CB-OIFI-37/2016 stating that agents and brokers were classified as “financial institutions” and were therefore were required to have external audits etc.</p> <p>There is a distinction between (i)“life insurance agent who is incorporated” and a (ii)“broker”.</p> <p>The life insurance agent is an insurance salesmen who is incorporated and therefore the contract is with his company. The agent has no authority to underwrite business, settle policies or process claims. All insurance applications are processed in the same way applying the same due diligence of the insurance company that it applies to all applications. At consultations held after the issue of the circular, it was determined that although these agents were not the same as brokers, external auditors still had to do selective sampling to test policies settled from applications brought in by corporate agents.</p> <p>Perhaps some additional guidance can be issued in this area</p>
ATTIC	<p>Part IV – Section 4.1 Politically Exposed Persons</p> <p>Examples of PEP’s :-</p> <ul style="list-style-type: none"> • in a romantic relationship with a PEP, such as a boyfriend, girlfriend or mistress <p>Financial institutions must take reasonable measures to determine</p>	This information may be difficult to ascertain

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	<p>whether a person is a PEP. Reasonable measures include, but are not limited to, one or more of the following actions:</p> <ul style="list-style-type: none"> • Conducting an open source search. Use the internet and media as sources of information for the determination, monitoring, verification of information in relation to PEPs, noting that information retrieved may not in all cases be comprehensive or reliable; <p>Time Limit on PEP Status</p>	<p>Social media can be an unreliable source of information at times.</p> <p>Positive comment:-</p> <p>Peeps can be viewed on a Risk Based approach and remove based on risk indicators and company's discretion.</p>
ATTIC	General Comment - External Auditors	We recommend training for external auditors in the new Guidelines as the Auditors tend to go with the (letter of the law) without understanding that they can be flexible due to the different types of companies auditing.
ATTIC	Risk Based Customer Due Diligence	<p>Positive Comments :-</p> <p>Tracking expired ID is not expected.</p> <p>Risk depends on how you view your customer and the type of product purchased. There is no need to track low and high risk customers annually. Tracking is based on the type of risk the company is exposed to by the customer. e.g. triggers.</p>
ATTIC	Part II – Section 3.3 Compliance Officer	<p>“Compliance Officer” as opposed to “Money Laundering Reporting Officer”</p> <p>The “Compliance Function” is far wider than “Money Laundering Function”. The Compliance Function is a very important one in financial institutions and is specifically referred to in the definition section of the Financial Institutions Act 2001 and the draft Insurance Bill 2017. It is therefore confusing to use the same reference for both functions particularly where there are separate persons for each role. Please give some consideration to changing this in the POCA and FOR 2010 to specifically refer to AML function as a “Money Laundering Reporting</p>

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		Officer” to preserve this distinction. It is noted somewhere in the Guidelines that there is reference to a Reporting Officer.
ATTIC	General Comments	<p>In the case of Life Insurance companies, as far as the retrospective due diligence projects has gone, many Life companies have struggled to obtain records for persons that have been clients for many years. The products are paid monthly by direct transfers from banks or salary deductions and there has been little or no contact with many of these persons.</p> <p>Using the risk based approach, would it be possible to treat these policies/persons as low risk and defer obtaining any KYC/CDD until there is a catalyst for doing so - policy change, claim etc.?</p> <p>We would also like to apply this to corporate clients, subject to a risk based approach</p>
TRINRE Insurance	General Statement	While the CBTT’s draft 2017 AML/CTF Guidelines do provide a significant increase in needed guidance re the application/implementation of the requirements of the AML/CTF legislative framework, there are several areas that require additional attention before it can be fully implemented, namely:
TRINRE Insurance	General Statement	<p>Overall, the guideline needs to be clearer in its expression/description of the differing expectations of the various types of licensees and products/services (e.g. banks vs insurers, general insurance vs life insurance) given the different level of ML/TF risk that they are exposed to, based on the NRA results and FATF standards/guidance.</p> <p>This would go a long way in ensuring that a proper risk based approach is implemented and the appropriate level of CDD is conducted as a result.</p>

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TRINRE Insurance	General Statement	It would greatly appreciated if any further changes to the document are highlighted/tracked/summarised to facilitate more efficient review and implementation of the finalised guideline.
TRINRE Insurance	General Statement	<p>Generally speaking, the document has numerous typographical errors that need addressing.</p> <p>Also, it would be easier to reference if the page numbering continued throughout the document rather than starting over with each section.</p> <p>Beyond that, the introduction and some other generic areas make specific reference to current legislation or the various amended versions as well as topical issues (for e.g. ISIL) which may not be relevant in a year or two. It is our opinion that these references should allude to applicable legislation in force or to terrorist /extremist organisations in general.</p> <p>The document is also verbose and repetitive-e.g. references to risk based approach in few sections.</p>
TRINRE Insurance	Proliferation Financing	Despite the fact that proliferation financing poses a significant threat to global security and that FATF Recommendation 7 places obligations on countries to apply targeted financial sanctions for same, it would be a challenge for financial institutions to include/implement controls for proliferation financing without specific guidance/recommendations on what those controls should be/could include especially given that Trinidad and Tobago does not yet have a regulatory framework for proliferation financing and as a result no AML/CTF training offered may have covered this issue.

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TRINRE Insurance	Risk Assessment Framework	The revised guideline requires financial institutions to incorporate the results of the National Risk Assessment (NRA) into their ML/TF risk assessment process, however, the results of the NRA have not been circulated. Is it that the regulators will circulate to their supervised entities or that it will be published before the guideline becomes effective? Also, is it that whatever existing risk approach financial institutions already have in place need to be supported by a detailed, documented risk assessment process? Is this necessary for financial institutions whose products have already been designated low risk for ML/TF?
TRINRE Insurance	Examples of a Risk Assessment Framework	Samples of completed risk assessment using various approaches/levels of complexity should be included, along with an overview of the various acceptable approaches to ML/TF risk assessment. Additional guidance should also be provided, perhaps by way of example, on what the documentation of a risk assessment review should look like and what should be considered during the review, particularly when there are no material trigger events.
TRINRE Insurance	Risk Assessments for General, Health and Term Life insurance	The guideline indicates that based on the results of the NRA general, health and term life insurance, present low ML/TF risk and that this is further supported by the fact that the FATF Standards in respect of the insurance sector apply to the underwriting and placement of life insurance and other investment related insurance. However, it goes on to state that in accordance with a risk based approach, the application of simplified due diligence (SDD) in instances of low ML/TF risk is acceptable. This seems to imply that although the NRA already assessed these classes of insurance to be low ML/TF risk, and that the FATF standards do not apply to these classes of insurance, financial institutions still have to determine under what circumstances SDD may be applied rather than applying SDD across the board to these classes of

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		business. If this is in fact the case then it is recommended that the guideline be much more specific re the potential circumstances that would not qualify as low risk for these classes of business. Otherwise the guideline needs to be clearer in terms of what is expected/required of insurance companies with respect to these classes of business especially since the results of the NRA are not currently available.
TRINRE Insurance	Part IV Section 3 Third Party Reliance – Customer Due Diligence (“CDD”)	The guideline contains conflicting information with respect to the approach to be taken re placing reliance on the customer due diligence information performed by third parties. Statements made in the section on third party reliance contradict statements made in the sections on introduced business, specifically with respect to whether the third party should be able to provide the information and documentation immediately upon request or must provide it within 30 days of the third party notifying the financial institution that verification of the customer identification has been performed. The section on third party reliance appears however to be in line with the approach documented in the Financial Obligations Regulations.
TRINRE Insurance	Part IV Section 3- Third Party Reliance Expectations for Brokers with regard to the collection and sharing of CDD Annual External Audit	While it is understood that the insurer is ultimately responsible for CDD, the guideline should speak to the expectations for brokers with regard to the collection and sharing of CDD especially given the broker driven nature of the general insurance industry. The guideline should also speak to the issue of the expectations with respect to agents/agencies of the insurer in terms of the annual external audit.
The New India Assurance Co. (T&T) Limited	Part IV – Section 3 – Third party Reliance General Insurance Brokers fulfilling the requirements for Know Your Customer (KYC) due diligence.	The Broker makes face to face contact with the customer; gathers the information; completes the necessary forms before approaching the Insurer for either obtaining a quotation or placing the risk. The Broker makes every effort to avoid the Insurer making contact with the client.

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		<p>Insurers experience great difficulty in obtaining the relevant KYC norms from the Broker. We therefore recommend that this matter be addressed in the Guideline.</p> <p>As a suggestion, Insurers may be willing to accept a letter of comfort from the Broker that the Broker is in possession of all the relevant KYC requirements and should the need arise for sight of these documents they will immediately be made available to the Insurer.</p>
MASSY GROUP		
Massy Group	<p>Part II Section 3.1 Role of the Board -</p> <p>(e) Remedial action plans, if any, to address the results of independent audits (internal or external)</p> <p>(e) Metrics including but not limited to, statutory reporting to the FIU, orders from law enforcement agencies, refused or declined business and de-risked relationships</p>	<p>Where the Compliance Officer does not agree with the finding or the remedial action proposed by the Internal or External Audit, what is the role of the Board?</p> <p>Is it the sole role of the Compliance Officer to recommend de-risking to the Senior Management or is the Compliance Officer to make the decision to de-risk? Where it is the former and Senior Management refuses, is it the role of Board to adjudicate?</p>
Massy Group	<p>Part II, Section 3.2 Role of Senior Management –</p> <p>(e) The Compliance and Internal Audit functions are resourced in terms of people, IT systems and budget to implement, administer and monitor the AML/CFT program requirements effectively.</p>	<p>Is this the role of Senior Management or the Board? Should the Board be responsible for deciding on the resource requirements of the Compliance function as opposed to Senior Management whose focus in business driven.</p>
Massy Group	<p>Part II, Section 3.3 -Role of the Compliance Officer –</p> <p>a) The nature of the reporting lines between the Compliance Officer and management of operating/business units</p> <p>b) Potential Conflicts of Interest between their compliance responsibilities and other responsibilities that the Compliance Officer may have.</p>	<p>Is the reporting to Senior Management administrative or functional?</p> <p>Please give clarity on conflicts of interest for both the Compliance Officer and Senior Management</p>

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	c) The Compliance Officer must have: Timely and uninhibited access to customer identification, transaction records and other relevant information throughout the organization	Is this specific to customer information only or does it extend to information on employees? Can clarity be given here?
Massy Group	Part II, Section 4.1 External Audits Approved ICATT format	Will the approved format be shared at roll out?
Massy Group	Part II, Section 4.2-Internal Audit – An assessment of the overall process for identifying and reporting suspicious activity, including a review of "not filed" (closed no suspicious) internal suspicious transactions/activity reports to determine the adequacy, completeness and effectiveness of the adjudication process.	It should be made clear that the actual Suspicious Activity ReportS, investigative material, notes etc will not be disclosed to any Auditor
Massy Group	Part II, Section 5.2 - AML/CFT Compliance Programmes for Financial Groups	The Massy Group offers services other than financial services. In Customer Due Diligence, Investigations, Risk Rating etc, there may be information available outside of the financial services network. Can our Group approach incorporate all Listed Businesses in the Massy ecosystem given that the general AML requirements are the same.
Massy Group	Part II, Section 6 - Knowing Your Customer (KYC) and Customer Due Diligence – <ul style="list-style-type: none"> • Conducting one-off or occasional wire transfers above TTD 6000 where the transaction is carried out in a single operation or in several operations that appear to be linked • Identify the customer and where applicable, the customer's beneficial owner or legal representatives 	For the Remittance and Insurance Sectors, the difficulty in obtaining the nature, extent and depth of information remains a challenge esp with respect to Beneficial Ownership. Can a risk based approach be adopted Where the identity of the beneficial owner includes overseas entities, should the client be called upon to produce information on persons abroad? Where does the Licensee end in its CDD investigation?
Massy Group	Part II, Section 6.1 -Customer Identification and Verification	

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	The purpose and reason for establishing the business relationship should be recorded, and the anticipated level and nature of activity to be undertaken.	For businesses not carrying on the traditional banking activities (eg: remittance business) this is a challenge especially to determine the anticipated level and nature of activity to be undertaken.
Massy Group	Section 6.3 Lower Risk/Simplified Due Diligence (c) Adjusting the quality or source of information obtained for identification, verification or monitoring purposes	Other than Government Pension or benefit payments, can other sources of income be included eg: Manager's Cheque, Government Cheques etc.
Massy Group	Section 6.4 Higher Risk/Enhanced Due Diligence When someone becomes a new customer, or applies for a new product or service, or where there are indications that the risk associated with an existing business relationship might have increased.	Does this EDD apply to the commencement of a new business relationship with a normal/low risk customer or is this EDD specific to a High Risk customers only
Massy Group	Section 6.4.2 Enhanced Monitoring Flagging unusual activities and escalating concerns and transactions for senior management's attention	Please clarify whether this is specific to a certain type of business activity, emerging trends etc but not specific to unusual activities of specific customers or which may be the subject of a SAR.
Massy Group	Part II, Section 7.1 Politically Exposed Persons – Senior Management approval must be obtained for establishing or continuing business relationships with all PEPs	Where PEPs are included in a Group Scheme, it is unlikely that any information would be obtained. For a Group Scheme, the Insurer treats the Group Scheme Owner (the financial institution) as its customer not the individual members of the Group Scheme (see letter attached) For Remittance industry, Senior Management approval for every transaction is not feasible. Can Senior Management approve from a certain limit?
Massy Group	Part II, Section 8 - Transaction Monitoring- <ul style="list-style-type: none"> • Financial institutions should also have systems and procedures to deal with customers who have not had contact for some time, such as dormant accounts or relationships to be able to identify future reactivation and unauthorised use. • The monitoring system should be tested on a periodic basis 	Where a deposit is for a term of 3 years, it is unlikely that the customer will update information until renewal. Has this been considered. Also, for dormant accounts, can such review be done at reactivation. This test is conducted by whom? Internal/External Auditor or is this an

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	to ensure that the parameters are performing as expected and remain relevant.	internal compliance department function.
Massy Group	<p>Part II, Section 8.1 Reporting Suspicious Activity and Transactions 'Promptly' to the FIU</p> <ul style="list-style-type: none"> Where there are common customers within a financial group context, consideration of enterprise risk exposure must be made and as far as possible, information on the customer or transaction must be shared to ensure that all facts are considered and consistent decisions are made group wide. Such instances must be immediately brought to the attention of the Group Compliance Officer Financial institutions are required to maintain comprehensive records of the review and adjudication process for investigating unusual/suspicious activity/transactions. 	<p>The Massy Group offers services other than financial services. In conducting Investigations, information may be available from other Massy entities including but not limited to Massy Motors. Can all information be used? In addition to each SAR filed by each entity, is one SAR to be sent from the Group Compliance Officer?</p> <p>This is specific to the nature of the business eg: in the Remittance Sector the records are largely electronic.</p>
Massy Group	<p>Part II, Section 9 - Identification of Designated Entities and Persons & Freezing of Funds</p> <ul style="list-style-type: none"> Procedures to screen payment details on wire transfers and remittances to reasonably ensure that originator, intermediary and beneficiary details are included on the transfers 	Beneficiary details are typically limited especially in the Remittance Sector where the Beneficiary information and details may be subject to privacy laws in the specific jurisdiction in which the money is received. Even though, the legislation speaks to the Money Remitter acting as an agent for the local agent/company, detailed information is difficult to obtain where protected by privacy laws
Massy Group	<p>Part II, Section 10 Knowing Your Employee (KYE)</p> <ul style="list-style-type: none"> A financial institution must have robust procedures in place for knowing its employees Maintain an ongoing approach to screening for specific positions, as circumstances change, or for a comprehensive review of departmental staff over a period of time. 	<ul style="list-style-type: none"> What role does Compliance play in Human Resource Department? Compliance does not get information on staff nor is compliance involved in the Human Resource function. Please provide clarity as to whether the comprehensive review can take place at the time of a change in employee position or nature of services undertaken by staff?

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	<ul style="list-style-type: none"> Financial institutions should ensure to the extent permitted by the laws of the relevant country, that similar recruitment policies are followed by its branches, subsidiaries and associate companies abroad, especially in those countries which are not sufficiently compliant with the recommendations of the FATF. Procedures should provide for special investigation of employees who are associated with mysterious disappearances or unexplained shortages of funds. 	<p>Is this applicable to an Agents, Sales Agents and Brokers from an Insurance perspective?</p> <p>Clarity on the language utilised i.e. mysterious disappearances.</p>
Massy Group	Part II, Section 12 Record Keeping Procedures	Are electronic records including electronic signature pads and scans of customer verification documentation acceptable?
Massy Group	<p>PART III - Guidance On Conducting The ML/TF Risk Assessment</p> <p>Section 3 -Customer Risk Assessments</p> <p>Where a financial institution does not develop its risk assessment system in-house but purchases it from an external provider, it should understand how the system works and how risk factors are assessed to achieve the overall risk score. The financial institution must be satisfied that the weightings allocated is an appropriate reflection of the ML/TF risk present in its business units and it must be able to demonstrate this to the Central Bank.</p>	Is submission of the Risk methodology required or will it be reviewed onsite? Should a financial institution opt to utilise this, what is the proposed timeline for the implementation of this and of the Guideline generally?
Massy Group	<p>PART III - Guidance On Conducting The ML/TF Risk Assessment</p> <p>Section 3.2 Management Support</p> <p>Does the responsibility for oversight of AML/CFT identity and verification checks lie with Management</p>	Is this oversight only or should reference be made to implementation. Management should drive the implementation of the AML/CFT requirements with oversight by the Compliance Team and testing by Internal Audit. Please clarify

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<p>Massy Group</p>	<p>PART IV - Risk Based Customer Due Diligence Section 1.3 Non documentary verification procedures</p> <p>Contacting the customer by telephone or by letter to confirm the information supplied, after an account has been opened (eg a disconnected phone, returned mail etc should warrant further investigation); Checking references provided by other financial institutions; Utilising an independent information verification process, such as by accessing public registers, private databases or other reliable independent sources (e.g. credit reference agencies); Given the increasing prevalence of social media data, financial institutions may consider taking such information into account as part of their CDD measures, but should have regard to the risks inherent in the reliability of this data.</p> <p>Undertaking a financial institution search and/or other commercial enquiries to ascertain that the legal person has not been, or is not in the process of being, dissolved, struck off, wound up or terminated; Utilising an independent information verification process, such as the Financial institution's Registry, KYC databases or other reliable independent sources (e.g. lawyers, accountants); Reviewing the financial institution's website and other public source information; Validating the LEI if available and associated data in the public access service and the companies registry ; Obtaining bank references; Visiting the corporate entity, where practical; Contacting the corporate entity by telephone, mail or e-mail.</p>	<p>For low risk entities, eg: general insurers, can reliance be placed on this form of verification esp in the absence of information for larger scale customers eg: financial institutions, oil companies etc who are reluctant to share KYC information of Directors and Officers? Can social media and online verification be used as a substitute in this regard esp where the product risk is low? Please clarify in the Guideline</p> <p>Independent sources eg: lawyers are unwilling to share information on the client or themselves where they are part of a transaction. We are challenged to update information as Lawyers inform that the information is only relevant at the time of 'establishing a business relationship', therefore access to information is limited. Please give clarity on the LEI exercise and whether greater due diligence will be done at the Companies' Registry, BIR and VAT offices to make information more</p>

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		readily available? This approach will be difficult in the REmittance space and for insurance purposes
Massy Group	<p>PART IV - Risk Based Customer Due Diligence Section 3 - Third Party Reliance</p> <p>The relationship between financial institutions and the third parties relied upon to conduct CDD on their behalf should be governed by an arrangement that clearly specifies the rights, responsibilities and expectations of all parties. At the minimum, financial institutions must be satisfied that the third party: has an adequate CDD process and that information collected clearly establishes the identity of the customer or beneficial owner and has been verified; has measures in place for record keeping requirements in accordance with the requirements in AML/CFT legislation and regulations; can provide the CDD information and provide copies of the relevant documentation immediately upon request; and is properly regulated and supervised.</p>	<p>Please clarify whether the reliance on the Broker to obtain and house the information is acceptable. Whereas Broker Due Diligence is conducted, the information is not always available. Given that the Brokers are interfacing with the customers, can the ultimate responsibility lie with the Brokers as the Insurers have no or limited access to the customers. This should be the primary responsibility of the Broker. A Broker has refuted the existing approach re: accountability remains with the financial institutions. Similarly Group Schemes are introduced by Brokers whose sole client is the Group Scheme Owner as opposed to the clients participating in the Group Scheme. Can this approach be clarified as well.</p>
Massy Group	<p>PART IV - Risk Based Customer Due Diligence Section 4.4 - Introduced Business</p> <p>Reliance on an eligible introducer should be approved by senior management and the decision as to whether normal due diligence procedures are followed should be part of the financial institution's risk-based assessment.</p>	<p>Is it specific to a financial group or can the Massy Group be considered as an Introducer even though there are segments of the Group which are unregulated? Can an introducer also be subject to the third party reliance sector on page 10?</p>
Massy Group	<p>PART V - Sector Specific Guidance</p> <p>Section C Sector specific guidance for Money Remittance Businesses</p> <p>Notwithstanding the thresholds established in law, a money remitter may establish lower reporting thresholds that are commensurate with the size of transactions that are typically conducted, and as identified in their business risk assessment.</p>	<p>Threshold of TTD6,000 is low for the remittance sector for additional due diligence. Is there a threshold for EDD or can normal CDD be conducted between \$6K-\$90K?</p>

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	<p>Section D Sector specific guidance for the Bureaux De Change</p> <p>The minimum information that bureaux should obtain from corporate customers.</p>	<p>Is there any guidance for Money Remittance Business on what should be obtained from corporate customers</p>