



Circular No. 11 of 2022

Date: 29th November 2022

Submission of Annual Compliance Form under the AML/CFT Regulations

The Financial Services Authority (“FSA”) would like to draw the attention of all reporting entities to the provisions of Regulation 13(h) of the Anti-Money Laundering and Countering the Financing of Terrorism Regulations, 2020 (“AML/CFT Regulations”), where the Compliance Officer of a reporting entity has the responsibility in the discharge of his or her duties under section 34 (2) of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 (“AML/CFT Act”) to ensure the preparation and submission of an annual compliance form to the supervisory authority for information within 90 days after each calendar year.

The purpose of this Circular is to provide clarifications regarding the contents of the annual compliance form, so that Compliance Officers can maintain consistency in reporting across the reporting entities. In that regard, the annual compliance form must **at least** cover the following:

1. Introduction
2. Compliance structure and staffing
3. Institutional Risk Assessment: The results of the identification and assessment of Money Laundering and Terrorist Financing (“ML/TF”) risks and the measures taken to mitigate them, as well as the reporting entity’s risk level tolerance.
4. Customer Due Diligence: The results of the due diligence conducted on customers, business relationships and transactions including ongoing due diligence.
5. Enhanced Due Diligence: The results of the enhanced due diligence conducted in accordance with the provisions of section 41 of the AML/CFT Act, including enhanced ongoing due diligence.
6. Politically Exposed Persons: The results of the enhanced due diligence on persons identified as politically exposed persons (PEPs) in accordance with the provisions of section 36 (7) of the AML/CFT Act.
7. Reliance on regulated persons: In the case of reliance on regulated person, including a foreign regulated person, the results of the monitoring carried out on the compliance of the services provided by these regulated persons, not only with the legal and regulatory provisions but also with the contractual provisions. Where appropriate, the reasons why the reporting entity has chosen new regulated persons or terminated business relationships with regulated persons during the year.

8. Statistical history concerning the transactions reported to the FIU that is linked to the implementation of the United Nations Security Council resolutions as well as the amount of the funds involved.
9. Breaches under the AML/CFT Act: The number of identified breaches of AML/CFT professional obligations. If there were no identified breaches, this must be clearly specified.
10. AML/CFT trainings: An update of the trainings conducted during the year and training plans for next year;
11. Staff: Summary of the disciplinary actions, resignations or terminations of compliance staff including the reasons for disciplinary actions, resignations or terminations.
12. Requests for information received from supervisory authorities and law enforcement agencies.
13. Review of compliance program and top deficiencies identified.
14. Plans for next year.

The annual compliance form must be accompanied by documentation on the identification, assessment and mitigation of ML/TF risks referred to in section 32 (5) of the AML/CFT Act (i.e. the institutional risk assessment) and the **Annual AML/CFT Compliance Form** which can be accessed through the FSA's website at the following link: <https://fsaseychelles.sc/aml-cft/amlcft>

Failure to comply with Regulation 13(h) of the AML/CFT Regulations shall lead to the FSA taking relevant enforcement actions as provided for by relevant legislations.

The FSA counts on the usual cooperation of reporting entities in maintaining effective systems of controls in the fight against ML/TF to safeguard the integrity of Seychelles as a financial centre.

Reporting entities may contact the FSA through email at amlcft@fsaseychelles.sc for any clarification or further information regarding the content of this Circular.

FINANCIAL SERVICES AUTHORITY