



Guernsey Financial  
Services Commission



# MONEYVAL 2024: June Update

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# Agenda

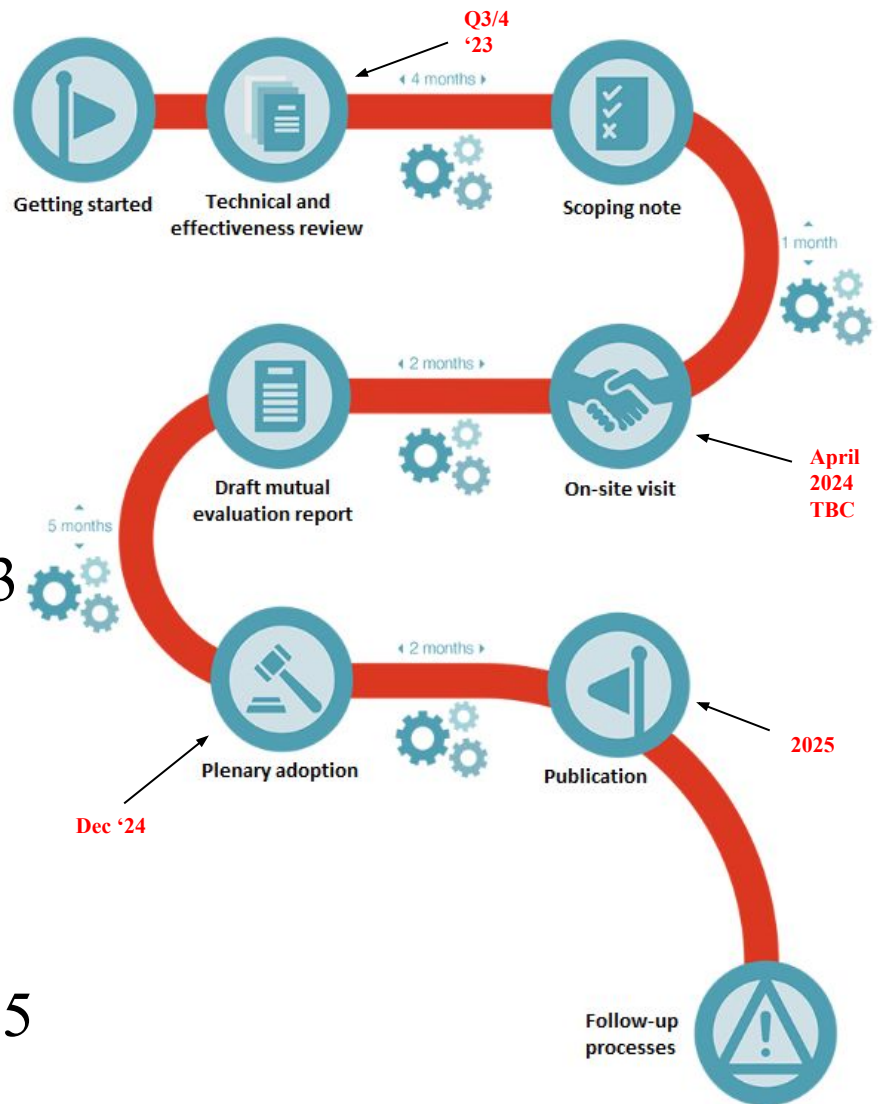
- Evaluation timeline & coverage
- “Country training”
- Commission preparations
- Director registration regime
- Handbook changes
- Focus for 2023



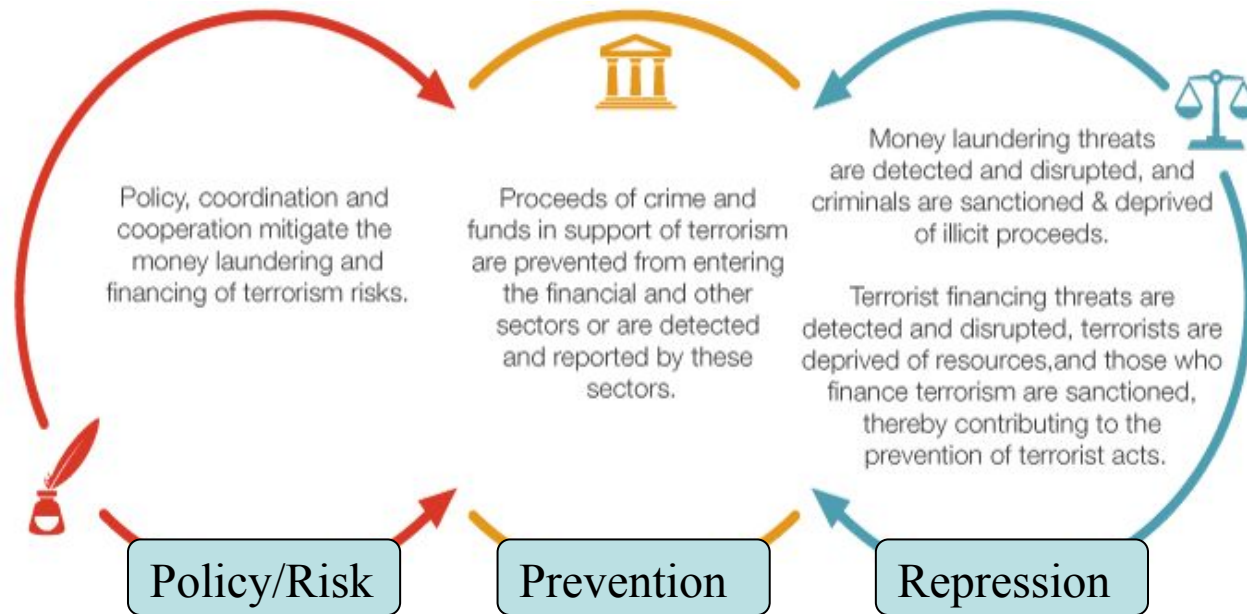
# MONEYVAL Mutual Evaluation Timeline

## Key Dates

- Technical & effectiveness submissions - due Q3/4 2023
- 2 Weeks Onsite - April 2024 (TBC)
- Peer Review - Q4 2024
- Plenary Week - Dec 2024
- FATF Peer Review - Q1 2025
- Publication - H1 2025



# Evaluations – Focus on 11 Outcomes



**Technical Compliance: 40 Recommendations**

**Previous Moneyval evaluation focussed on Technical Compliance**

**Main focus will now be on effectiveness via the 11 Immediate Outcomes**

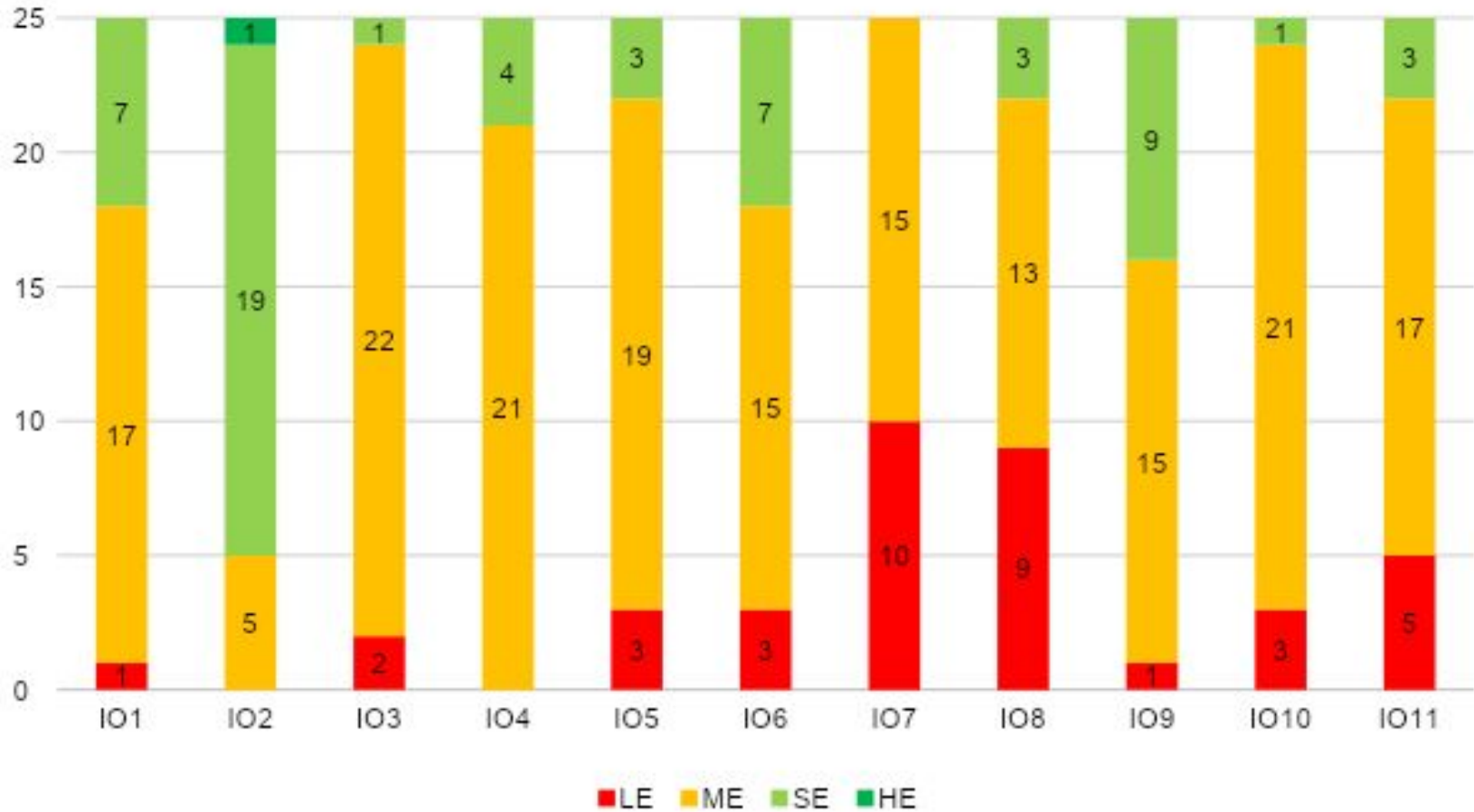
<b>IOs 1 &amp; 2</b>	<b>IOs 3, 4 &amp; 5</b>	<b>IOs 6,7,8,9,10 &amp; 11</b>
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- High Effectiveness
  - Substantial Effectiveness
  - Moderate Effectiveness
  - Low Effectiveness
- } Good Ratings
- } Poor Ratings

# Effectiveness – the Immediate Outcomes

	Immediate Outcome	Lead authority	GFSC Support Role
1	Risk, Policy and Coordination	Government	Y
2	International Co-operation	Government	Y
3	Supervision	GFSC, AGCC	n/a
4	Private sector - AMLCFT measures	GFSC, AGCC	Y
5	Beneficial ownership - trusts & companies	Government, Registries	Y
6	Financial Intelligence	EFCB - FIU	Y
7	Money laundering investigation & prosecution	EFCB/Law Officers	N
8	Confiscation	Law Officers	N
9	Terrorist financing investigation & prosecution	EFCB/Law Officers	N
10	Terrorist financing prevention and financial sanctions	Government	Y
11	Proliferation financing - sanctions	Government	Y

# Overview of Effectiveness Ratings – past MONEYVAL Evaluations



# FATF outcomes

	Qualify on effectiveness ratings of:		Outcomes for some smaller IFCs
Regular follow-up	5+ substantial or high ratings	Default position 2 year reporting	Bermuda Holy See Liechtenstein San Marino
Enhanced follow-up	7 lows/moderates or 4+ lows	Annual reporting	Andorra Cyprus
Grey-listing zone	6 lows or 9 lows & moderates	3 progress reports p/a	<i>Isle of Man</i> Bahamas Cayman Islands Gibraltar Malta Mauritius

# Country training





*IO 3 : “Supervisors appropriately supervise, monitor and regulate financial institutions for compliance with AMLCFT requirements commensurate with their risk*

- Licensing prevents criminals and associates from entering the market. Breaches of licensing activities detected
- Supervisors’ understanding and identification of ML/TF risks
- Risk-based supervision of compliance with AMLCFT requirements
- Remedial actions and effective, proportionate and dissuasive sanctions
- Impact of supervision on compliance
- Promoting a clear understanding of AMLCFT obligations and MLTF risks

*IO 4: “FIs adequately apply AML/CFT preventative measures commensurate with their risks and report suspicious transactions.”*

- How well do you understand your ML/TF risks and AMLCFT obligations
- How well are risk based mitigating measures applied
- How well are CDD and record-keeping requirements applied, including beneficial owners and monitoring
- How well is ECDD applied to PEPs, new tech, TFS and higher risk countries?
- To what extent are suspicious activity reporting obligations met?
- How well are internal controls applied, including at group level?

# Key Commission preparations

- Ensuring the AMLCFT Handbook is up to date and meets FATF Recommendations – independent audit; VASPS
- Assessing the appropriateness of exemptions from licensing – six directorships exemption flagged
- Implementing the VASP licensing regime brought in by the LCF Law
- Completing MONEYVAL pre-assessment questionnaires
- Contributing to ML and TF National Risk Assessment update

# Handbook updates

## Timetable

Topic	Consultation status	Final
Business risk assessments	Closed	July 2023
Independent audit function	Closed	July 2023
VASP rules	Open to 3 July	July 2023
Trustee/partners obligations	Open to 3 July	July 2023

# Developing a registration regime for the “six directorships” licensing exemption

- To address “gap” with FATF Standards identified by MONEYVAL & IMF
- Applying pragmatism and proportionality to the development of a registration regime by:
  - Additional exemptions proposed on basis of risk and proportionality
  - Reduced AMLCFT obligations due to limited nature and scope of role
  - Reduced regulatory obligations
- Applying risk-based supervision – event driven & educational

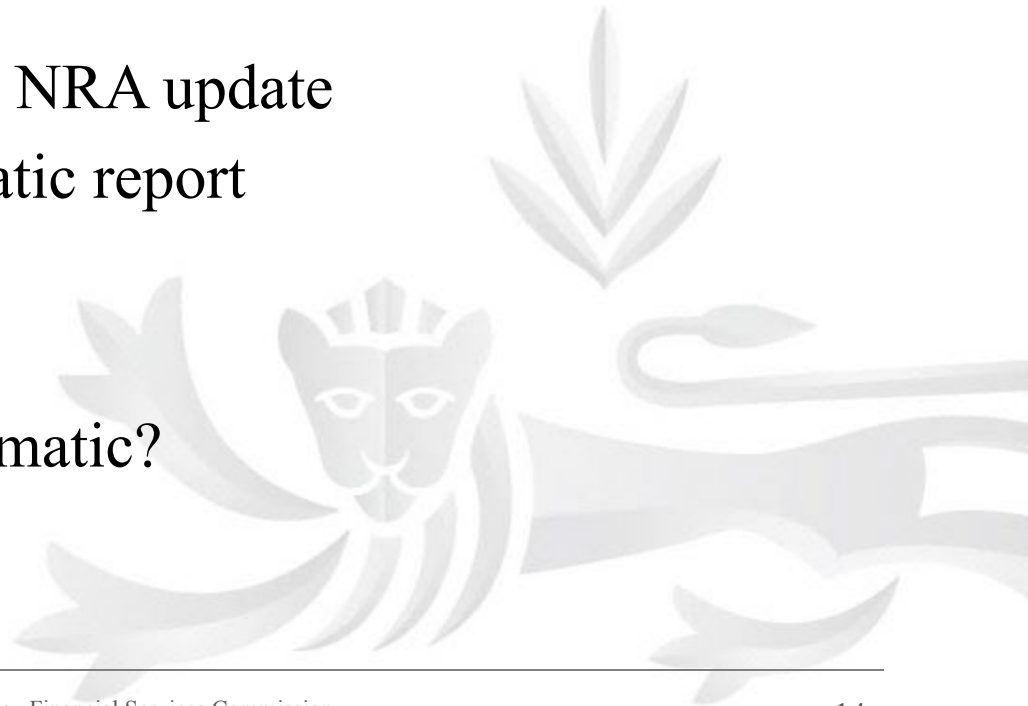
# Looking forward

## *In hand:*

- Completing MONEYVAL pre-assessment questionnaires covering the narrative, provision of statistics, case studies and supporting documents such as rules, guidance and reports
- Contributing to ML & TF NRA update
- Publishing our PEP thematic report

## *Proposed for 2023:*

- BRA & PEP workshops
- Prescribed businesses thematic?
- MONEYVAL outreach



# Countdown

- 10 months to go



# Thank You

