



Second Follow-Up Report

Anguilla

November 7, 2011

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ANGUILLA: SECOND FOLLOW-UP REPORT

I. Introduction

1. This report represents an analysis of Anguilla's report back to the CFATF Plenary concerning the progress that it has made with regard to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Anguilla was adopted by the CFATF Council of Ministers in July 2010 using the Round Robin process. Based on the review of actions taken by Anguilla since its Mutual Evaluation to meet the outstanding recommendations made by the Examiners, a recommendation was made in the First Follow-Up Report that Anguilla would remain in expedited follow-up and report back to Plenary in November 2011 at which time a determination would be made as to whether Anguilla would remain on expedited follow-up or be placed on regular follow-up.
2. Anguilla received ratings of PC on five (5) of the sixteen (16) Core and Key Recommendations as follows:

Rec.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
Rating	LC	LC	LC	PC	LC	PC	PC	PC	LC	C	C	LC	LC	LC	PC	LC

3. With regard to the other non- Core or Key Recommendations, Anguilla was rated partially compliant or non-compliant, as indicated below.

Partially Compliant (PC)	Non-Compliant (NC)
R. 9 (Third parties and Introducers)	R. 20 (Other NFBP & secure transaction techniques)
R. 12 (DNFBPs – R. ,6,8-11)	SR. VIII (Non profit organisations)
R. 14 Protection & no Tipping-off	
R. 16 (DNFBP-R. 13-15 &21)	
R. 17 (Sanctions)	
R. 21 (Special attention for higher risk countries)	
R. 24 (DNFBP-regulation, supervision and monitoring)	
R. 25 (Guidelines and feedback)	
R. 29 (Supervisors)	
R. 30 (Resources)	
R. 32 (Statistics)	
SR. VI (AML requirements for MVTs)	
SR. VII (Wire transfer rules)	
SR. IX (Cross border declaration & disclosure)	

4. The following table is indented to assist in providing an insight into the level of risk in the main financial sectors in Anguilla.

Size and integration of Anguilla's financial sector¹

		Banks	Other Credit Institutions*	Securities	Insurance	TOTAL
Number of institutions	Total #	7	3	1	291	302
Assets	US\$	1,094M	16M	N/A	N/A	1110M
Deposits	Total: US\$	797M	0.07M	N/A	N/A	797.07M
	% Non-resident	% of deposits 42%	0	N/A	N/A	353,311
International Links	% Foreign-owned:	% of assets 6%	% of assets 0	% of assets	% of assets	% of assets 6
	#Subsidiaries abroad	0	0	N/A	1	1

* Please include savings and loans institutions, credit unions, financial cooperatives and any other depository and non-depository credit institutions that may not be already included in the first column.

* If any of these categories are not regulated, please indicate so in a footnote and provide an estimate of the figures.

II. Summary of progress made by Anguilla**Implementation of legislation:**

- Since Anguilla's First Follow-Up Report was presented at the November 2010 Plenary in Cayman Islands, Anguilla has implemented the Proceeds of Crime Act (POCA) with an additional sixteen (16) money laundering charges being filed before the Anguilla Courts.² The Authorities have noted that most of these cases still have to come to trial, but that none of them have been dismissed. A money laundering conviction was obtained on April 18th 2011. This event was preceded by a two day workshop in March 2011 on the implementation of the POCA, its investigative powers, measures for freezing, seizure, confiscation and the prosecution of ML offences. The Workshop was attended by four (4) members of the Attorney General's Chambers and four (4) members of the FIU. The implementation of the POCA (schedule 3) also resulted in the successful confiscation of US\$1.2M³. The Anguilla High Court has also granted five (5) restraint orders pursuant to section 42 of POCA. During 2010, the Royal Anguillan Police Force (RAPF) began investigating suspected FT activities; however the investigation was recently concluded with no charges being laid. Information on FT activities that have been gleaned from SARs has been shared via Egmont with the competent authorities in relevant jurisdictions. Pursuant to the functions of the Reporting Authority (RA) under Section 118(2)(b) of the POCA, the RA through the Financial Intelligence Unit (FIU) has made twenty (20) requests for information supplementary to the Suspicious Activity Reports

¹ 1. Credit institutions include the Anguilla Mortgage Finance Company (AMFC), the Anguilla Development Board (ADB) and the TECCU Credit Union. AMFC and ADB are not regulated by the Commission. 2. The FSC is in the process of compiling a database to capture the insurance data. 3. Insurance includes 235 captive companies administered thorough insurance managers.

² There have been a total of twenty-seven (27) charges filed before the Courts since the enactment of the POCA.

³ The money, was as noted in the previous FUR located in an Anguillan bank and was frozen as a culmination of mutual legal assistance between Anguilla and Denmark.

(SARs)⁴ since the previous FUR. There were also two (2) requests for information pursuant to Section 20 of the FSC Act. The Authorities noted that there was full compliance by the requested institutions.

Amended or proposed legislation

- 3- With regard to legislation, the industry consultation process has been concluded for the Bill for the FSC (Amendment) Act, 2011 and the Non-Regulated Service Providers (Registration) Regulations, 2011. In both instances the amendments are being finalised. The draft Bill will then go to the Executive Council for approval and placement on the legislative agenda, while the Regulations will go to the Executive Council for approval and Gazetting. With regard to the AML/CFT Regulations and Code, a consultant has been engaged to draft the necessary amendments. The amendments to the AML/CFT Code are expected to positively affect compliance with R. 5, 9, 13, 14, 15 and 16. It should be noted that in April 2011, the Executive Council agreed in principle to the extension of the United Nations Convention against Corruption to Anguilla and in that regard have requested a legislative analysis to determine the amendments that would be necessary to implement the Convention. This development represents a positive move with regard to Anguilla meeting the Examiners' recommendation under R. 6.

Training and Public Awareness⁵

4. With regard to PEPs, since the previous FUR, the FIU made four (4) presentations to stakeholders, which included financial institutions and NPOs. The presentations included information on the both domestic and foreign PEPs and the need to implement enhanced CDD when dealing with PEPs. With regard to enhancing awareness of the requirements, the Authorities are also considering the development of sector specific guidelines.

Core Recommendations

Recommendation 5

5. With regard to the Examiners' recommendation concerning numbered accounts, it was previously noted that the Anguillian Authorities were considering an amendment to Section 15 of the AML/CFTR, which will add a definition of 'anonymous accounts'. This definition is expected to include numbered accounts. At present the Authorities have noted that a consultant has been engaged to draft the necessary amendments to the Regulations and Code as noted above. Accordingly, the Examiners' recommendation has not been met. Similarly, the Examiners' recommendations pertaining to the inclusion of private banking and trusts that operate as personal asset holding vehicles in the Regulations and Code and specific guidance as it relates to the application of reduced or simplified CDD have not been met since the AML/CFT Regulations and Code are still to be amended as noted earlier. With regard to the clarification of the legal framework for the application of administrative sanctions by the FSC as it relates to domestic banks, the Anguillian Authorities have stated that discussions were held between the regulatory

⁴ There have been a total of fifty-one (51) such requests pursuant to Section 118(2)(b) of the POCA. The level of compliance with these requests has been over 90% and represents a wide variety of institutions.

⁵ These are measures that have been undertaken or considered for Recommendations that were rated 'LC'. The full range of training will be discussed later in the FUR under R. 30, which was rated 'PC'.

bodies of the Eastern Caribbean Currency Union and the ECCB⁶ which, resulted in the decision that the responsibility for the AML/CFT oversight of domestic banks and their offshore subsidiaries will reside with the domestic jurisdiction. In Anguilla, the responsibility was given to the FSC. Based on this decision, the Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the legal authority to meet these new responsibilities. This development represents a major preliminary step towards meeting the Examiners' recommendation, but still leaves the recommendation as not being met until there is some clarification as to the legal framework for the application of administrative sanctions. The Anguillan Authorities have also noted that a multilateral Memorandum of Understanding (MMOU) has been signed by Anguilla and as such makes it Party to a framework for regulatory cooperation and reciprocal communication between the ECCB, the ECSRC and other domestic regulatory bodies. The MMOU allows the direct sharing of information between regulators where an inspection is done either by the ECCB or the FSC. To date, there has been no sharing of information between the FSC and the ECCB. The implementation of this measure will continue to be monitored through the ongoing follow-up process.

Recommendation 13

6. The Examiners recommendations pertaining to the MLRO's discretion with regard to attempted transactions and that service providers should be provided with specific guidance as to how to deal with breaches that involve tax matters have not been addressed and accordingly have not been met. The Authorities have noted however that a consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code, which is expected to address these outstanding issues. With regard to the clarification of the legal framework for the application of administrative sanctions by the FSC; this has been discussed above in R.5 and as noted there is still outstanding pending an analysis of the legislative framework. Based on the aforementioned, none of the Examiners' recommendations with regard to Rec. 13 have been met.

Special Recommendation IV

7. There has been no change to the status of this recommendation since the first FUR. However, it is expected that the recommendations for amendments to meet the Examiners' recommendation will be given consideration by the drafting that is to be undertaken by the recently hired consultant. Accordingly, the Examiners' recommendation has not been met.

Key Recommendations

Recommendations 23

8. As previously discussed, matters concerning the role of the ECCB have been addressed following discussions that took place between the relevant regulators and the ECCB. (See. Discussions above at R. 5). However, the matter has not been fully concluded as noted earlier and as such the Examiners' recommendation has not been met. With regard to fit and proper test at the time of licensing for the directors, senior managers and

⁶ The discussions took place on September 3, 2010; December 3, 2010 and March 4, 2011.

shareholder controllers of MSBs the Authorities have previously noted that two (2) of the four (4) MSBs have become licensed under the MSB Act and were accordingly subjected to the fit and proper test. The Authorities have noted that the application process for one of the two remaining companies has been completed and the licence was not granted, while the application for the last company is under consideration and will have an AML/CFT onsite visit shortly. Section 5(4) of the MSB Act provides in relevant part that 'in considering whether an applicant is a fit and proper person to be licensed, the Authority (a) shall have regard to, in respect of each of its executive management, directors, officers and significant shareholders.' It is therefore clear the fit and proper test at the time of licensing is applicable to the categories of persons as specified by the Examiners and accordingly the Examiners' recommendation has been partially met since similar requirements for Financial Co-operatives is still outstanding. The FSC provided AML/CFT training to MSBs in May 2011. Additionally, several AML/CFT training sessions were provided by the FSC and the FIU to financial institutions staff and board of directors in October and November 2010 and April 2011. With regard to the supervision of financial cooperatives for AML/CFT compliance, the Authorities have engaged the cooperative society in consultations regarding its obligations as a service provider under Anguilla's AML/CFT regime. It is noted that an onsite inspection will soon be scheduled. The Examiners' recommendation in the latter regard has been partially met.

Recommendation 26

9. With regard to the Examiners' recommendation to consider enacting separate legislation for the creation of the FIU in order to alleviate the problem with autonomy, the Authorities have noted that during the past year the Money Laundering Reporting Authority (MLRA) has considered many issues pertaining to the administration and structure of the FIU; including the issue of the autonomy of the FIU. To date, the MLRA has, based on their deliberations, recommended: the rental of additional secure office space for the FIU outside of the RAPF; the immediate recruitment of a financial analyst; the establishment of an independent budget that would cover training and other needs of the FIU and the purchase of fire resistant filing cabinets for the storage of the SARs. It has been noted that the administrative arrangements that are necessary to execute these decisions are currently underway. The decisions taken by the MLRA address three of the four deficiencies noted by the Examiners; specifically lack of sufficient office space; lack of fire resistant cabinets to store the SARs and lack of sufficient staff to deal with the DNFBPs. It is to be noted however that the hiring of an additional analyst may not solve the staffing issue, but is indeed a good start. Full compliance with these recommendations will occur when the MLRA recommendations are implemented. The issue pertaining to the autonomy of the FIU is addressed to the extent that the FIU will now have an independent budget to cover training and its other needs. There is however no indication as to whether the Examiners' recommendation with regard to stand alone legislation for the establishment of the FIU has been considered. The issue therefore remains outstanding.

Other Recommendations

Recommendations 9 and 14

10. As noted above, the Anguillan Authorities have engaged the services of a consultant with regard to drafting the necessary amendments to the AML/CFT Regulations and Code.

The amendments are expected to include those pertaining to R. 9 and 14. Accordingly, these recommendations remain outstanding.

Recommendations 12

11. The outstanding recommendation pertaining to Rec. 5 are still outstanding for Rec. 12 and accordingly the Examiners' recommendation has still not been met. Based on the previous FUR, Anguilla had partially met the Examiners' recommendation with regard to DNFBPs as a result of the establishment of an AML/CFT and Legal Services Unit within the FSC and the development of an outreach plan. At present, the Regulations that had been drafted have completed the industry consultation phase and the amendments arising from the consultations are being finalized before they are sent to the Executive Council for approval and Gazetting. The Examiners' recommendations remain partially met.

Recommendations 16 and 24

12. As for Recs. 9 and 14 above, a consultant has now been engaged to deal with the amendments to the AML/CFT Regulations and Code. The amendments are expected to include measures that will deal with attempted transactions. The establishment of the AML/CFT Legal Services Unit as discussed above gave partial compliance with the Examiners' recommendations. The other outstanding recommendations will be dealt with through the Non-Regulated Service Providers (Registration) Regulations, 2011, which as noted above have been reviewed by the Industry and are now being finalized to be taken to the Executive Council for approval and Gazetting. This regulation is also expected to address the Examiners' recommendations with regard to R. 24. Additionally, the FSC has as noted above increased its capacity by filling the post of Deputy Director. Based on the aforementioned only one of the Examiners' recommendations has been partially met while the other remains outstanding.

Recommendation 17 and Special Recommendation VII

13. The Examiners' recommendations under Rec. 17 all pertain to the sanctions framework with emphasis on the ECCB's and the ECSRC's powers to sanction for AML/CFT breaches. As previously discussed above the discussions with the ECCB and the relevant regulatory authorities resulted in a decision that the domestic jurisdictions will be responsible for enforcing sanctions for non-compliance on domestic banks and their offshore subsidiaries. For Anguilla, the FSC has been assigned this responsibility and an analysis of the Anguilla's legislative framework has been requested to ensure that the FSC has the requisite powers. This same regime will also be applicable for compliance with SR. VII. The issue with regard to a payment chains as it pertains to ensuring that full originator information accompanies wire transfers has still not been addressed. Accordingly, the Examiners' recommendations have not been met with regard to R. 17 and SR. VII.

Recommendation 20

14. With regard to the need to license the securities trading platforms/Internet platform for securities without delay, the ECSRC has indicated to the FSC that they are currently working with the Internet platform for securities trading on the licensing application

process. There has been no indication of any supervisory requirements for lotteries. The Payment Systems Act has not yet been implemented. The Authorities have noted in their comments that the implantation of the Payment Systems Act is the duty of the ECCB, who has to date, confirmed that they are in the process of implementing the Act. Accordingly, none of the Examiners' recommendations have been met.

Recommendation 21

15. Based on the Examiners' recommendation that Section 22 of the AML/CFTR be amended to authorise the relevant authorities to require service providers to take appropriate counter-measures against countries that do not apply or insufficiently apply the FATF Recommendations. To date, there have been no amendments and so the Examiners' recommendation has not been met. With regard to the consideration of a wider range of counter-measures against countries that fail to apply appropriate AML/CFT standards, the Authorities have not indicated that any consideration had been given to this recommendation. However, it should be noted that an Advisory has been issued by the FSC in response to the FATF statements with regard to Iran and the Democratic Peoples Republic of Korea. See. www.fsc.org.ai/PDF/Notice%20for%20Overseas%20jurisdictions.pdf. The Examiners' recommendations with regard to Rec. 21 have not been met.

Recommendation 25

16. The Examiners recommended that sector specific guidance on ML and TF be placed in the Guidance Notes. To date no sector specific guidance on ML and TF has been placed in the Guidance Notes and accordingly, the Examiners' recommendation has not been met. With regard to the recommended review of the FSC Act, the industry consultation process for the Bill for the FSC (Amendment) Act has been completed and amending legislation drafted. The Bill would then be forwarded to the Executive Council for approval and placement on Anguilla's legislative agenda. The Examiners' recommendation has only been partially met since the draft legislation has not been enacted so as to determine whether the range of sanctions available to the FSC is in fact more proportional and dissuasive. The Authorities have also noted that the FIU has published its Annual Report for 2010 as had been done in 2009. This Report contains general feedback, including statistics and information on current techniques, methods and trend or typologies and addresses one of the factors that resulted in a PC rating of this Recommendation.

Recommendation 29

17. With regard to Rec. 29, the Examiners recommended that the Banking Act be amended to provide the ECCB with the power to examine licensees to ascertain their compliance with other statutes especially where AML/CFT is concerned and also to grant the ECCB the power to apply sanctions for AML/CFT breaches. A recommendation was also made that the ECSRC be expressly granted power to supervise its licensees for AML/CFT. As previously noted above discussions between the ECCB and the relevant regulatory authorities resulted in a decision which, ultimately places the FSC as the regulatory authority with the responsibility of supervising domestic banks and their offshore subsidiaries in relation to AML/CFT. The Anguillan Authorities have requested an analysis of their legislative framework to ensure that the FSC can exercise the requisite

powers. With regard to the implementation of the MSB Act, there have been AML/CFT onsite visits at two MSBs. Based on the aforementioned; only latter of the Examiners' recommendations (implementing the MSB Act) has been met.

Recommendation 30

18. With regard to providing training in financial investigations, civil/criminal forfeiture and ML and FT to prosecutors and Judges, magistrates and prosecutors attended a week long seminar on the Proceeds of Crime In November 2010. A workshop for Eastern Caribbean Financial Investigators and Prosecutors⁷ was held in Antigua from March 22-23, 2011. The workshop was funded by the UK Foreign and Commonwealth Office (FCO) and was attended by Crown Counsel and a member of the Financial Crimes Unit of the RAPF. Another two day workshop was also held in the last week of March 2011 on implementation of the Proceeds of Crime Act, 2009 (POCA). The workshop included the POCA's investigative powers and measures for freezing, seizure, confiscation and civil forfeiture. It was attended by personnel from the FIU, the AG's Chambers, Customs, Immigration and the FSC AML/CFT Unit. The High Court Judge and Registrar also attended the workshop on the POCA. In April/May 2011, the Ag. Senior Crown Counsel (criminal) attended the Commonwealth Caribbean Prosecutors²² Conference⁸. The training provided for prosecutors and Judges and members of the FIU is in keeping with the recommendation made by the Examiners and meets the Examiners' recommendation at this time. It is hoped that there will be ongoing scheduled training for prosecutors and Judges. With regard to staffing of the FSC, the Authorities have noted that the post of Deputy Director has been filled. Interviews have also been conducted to fill the vacancy on the Board of Directors and a recommendation to fill the post has been made. Further, approval for the secondment of a CFTC consultant to the FSC to assist with oversight and training of the Insurance sector was obtained in June 2011.
19. The recommendations that the office space for the FIU should be increased and that fire proof cabinets should be provided have been partially addressed by the MLRA who has recommended the rental of additional secure office space and the purchase of fire resistant filing cabinets. With regard to the recruitment of additional staff, the MLRA has also recommended the hiring in of a financial analyst in the FIU. The Examiners' recommendations remain outstanding, though it is noted that the recommendations of the MLRA acknowledge the necessity to address these issues. (See. Discussion above at R. 26).

Recommendation 32

20. The beta testing of an electronic form consistent with the Report of International Transportation of Currency or Monetary Instrument that was noted in the previous follow-up report has been completed and brought into active use on the OTRICS system and enabling access to the information obtained by the Police, FIU and other competent authorities. The Authorities have also noted that all data collected since the Report of

⁷ Topics included a review of ML in each jurisdiction; including legislation and typologies, establishment of a Regional computer investigation laboratory, international cooperation and asset sharing, functions of the Serious Organised Crime Agency (SOCA), audit of financial legislation and update in ML case law.

⁸ The topics included The Proceeds of Crime Act: The Advocates's Perspective and Investigative Tools and Proceedings Combating the Financing of Terrorism; Extradition: The Approach and recommended Best Practices.

International Transportation of Currency or Monetary Instruments came into use has been entered into the OTRICS system. The Authorities note that this allows Customs to maintain statistics on cross-border transportation of currency and bearer negotiable instruments. This update of the OTRICS system meets the Examiners' recommendation with regard to the timely access of information on cross-border incidents. The Examiners' recommendations with regard to the maintenance of statistics by Customs regarding the cross-border transportation of currency and bearer negotiable instruments and the collection and analysis of statistics on wire transfers by the FIU remain outstanding.

Special Recommendations VI

21. As previously noted in this report, two of the four MVTs have been licensed; one has been determined and therefore has not been granted a licence, while the third is still pending. Accordingly, the Examiners' recommendation to have all of the existing MVTs licensed without delay has been partially met. With regard to the recommendation that licensed MVT operators should be required to maintain a current list of agents and the list be available for inspection by the FSC, the Authorities have noted that Section 9 of the MSB Act requires an MSB to carry out business only at the location noted in its license and approved by the Authority (FSC) and that notification should be given for any changes in location. This Section of the MSB Act is however viewed as dealing with location of the licensee and not the current list of agents as recommended by the Examiners. Accordingly, this recommendation still has not been met. With regard to an amendment to Section 17(3) of the MSB Act, there has been no additional update and accordingly, the Examiners' recommendation remains outstanding.

Special Recommendation VIII

22. Anguilla is still in the process of implementing the Non-Profit Organisations Regulations, 2010 (NPOR) which met most of the Examiners' recommendations. The Authorities have noted that the initial response has been positive and that many NPOs have applied for registration. At present, the FSC is taking steps to identify those NPOs that have not applied for registration so that enforcement action can be initiated. The NPO outreach programme noted in the previous FUR was continued through FIU presentations on the potential abuse of NPOs and PEPs and the need to implement enhanced CDD when dealing with such persons. As with the First FUR, there was no information provided by Anguilla with regard to an AML/CFT Code specifically for NPOs.

Special Recommendation IX

23. As noted in the previous FUR, with regard to the Examiners' recommendation to have the POCA amended to include measures specifically pertaining to the seizure of cash and bearer negotiable instruments at Anguilla's borders, the Authorities noted that the Customs (Amendment) Act, 2010, specifically requires the declaration of cash and bearer negotiable instruments at the border (including post offices). These measures, when read together with sections 106 and 108 of the POCA, make it clear that cash and negotiable instruments must be declared and may be seized as necessary. Accordingly, this recommendation has been met.

III. Conclusion

24. Since its First FUR Anguilla has sought to further implement its AML/CFT legislation and in that regard there have been several positive strides with regard to the implementation of the POCA as discussed above. (See. Implementation of legislation). The outstanding Core Recommendations (Recs. 13 and SR. IV) have still not been met, while R. 5 has been partially met, since the relevant amendments to the legislation have not been made. However, as noted above a consultant has been engaged in this regard. With regard to the Key Recommendations, Recs. 23 and 26 have been partially met. Of the remaining recommendations, (Recs. 9, 14, 17, 20, 21, 24, 25, 29, 32, SRs. IV, VII, VIII & IX), SR. IX has been fully met while a few have been partially complied with while the majority have not been met.
25. As noted in the First FUR, the majority of the outstanding Core and Key Recommendations have not been met, while most of the non- Core or Key Recommendations are still to be dealt with. Offsetting this lack of overall progress in addressing the outstanding recommendations is the fact that Anguilla has only five Core and Key Recommendations that were rated 'PC' and there has been continued implementation of the POCA. Additionally, as previously noted in the First FUR Anguilla has had a history of quick and effective passage of their legislation. Consequently it is recommended that Anguilla report back to the November 2012 Plenary, with the understanding that all attempts should be made to have the outstanding legislative deficiencies fully addressed by that time.

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Anguilla**

FATF 40+9	Rat -ing	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Anguilla to 9 September 2011
Legal systems				
1. ML offense	LC	There have been no ML prosecutions under the POCA, thus effectiveness cannot be duly determined.	<ul style="list-style-type: none"> The Anguillian Authorities should ensure that the relevant bodies engage in consistent and apposite training on the ML provision of the POCA with the aim of obtaining ML prosecutions and convictions. 	<ul style="list-style-type: none"> Since POCA was passed, 11 charges of money laundering have been laid in the Court. It is anticipated that 3 additional charges will be brought to Court in the near future. Since the last Follow-Up Report, 16 money laundering charges have been filed before the courts in Anguilla, bringing the total to 27. Most of these cases have yet to come to trial; none has been dismissed. ML conviction obtained on 18 April 2011. 2 day workshop during the last week of March 2011 on implementation of the POCA, its investigative powers and measures for freezing, seizure, confiscation and prosecution of ML offences attended by 4 members of AG's Chambers and 4 members of the FIU.
2. ML offense— mental element and corporate liability	LC	There have been no ML prosecutions under the POCA, thus effectiveness cannot be duly determined.		<ul style="list-style-type: none"> ML conviction obtained on 18 April 2011. Prosecution of 26 ML charges under POCA currently pending
3. Confiscation and provisional measures	LC	There have been no confiscations, restraints and/or or seizures under the POCA or the CFT legislation, thus effectiveness cannot be duly determined.	<ul style="list-style-type: none"> The police/FIU should endeavour to make use of the restraint, confiscation and other measure in the POCA and the anti-terrorism legislation. 	<ul style="list-style-type: none"> Since its passage in July 2009, the Reporting Authority, through the FIU, has made 31 requests under section 118(2)(b) for information supplementary to SARs, with full compliance from the institutions. On the 18th of May, Anguilla received word from Denmark that a conviction had been obtained and a forfeiture order entered with regard to \$1.2 million USD currently frozen in Anguillian accounts. The necessary documentation has recently been received from Denmark and, when the Court reconvenes after the summer holiday, the Danish Forfeiture Order will be enforced in Anguilla as an external order pursuant to Schedule 3 of the POCA. \$1.2MM successfully confiscated in December 2010 via enforcement of a foreign confiscation

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Anguilla**

FATF 40+9	Rat -ing	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Anguilla to 9 September 2011
				<p>order pursuant to Schedule 3 of the POCA.</p> <ul style="list-style-type: none"> • Using the restraint provisions of POCA, 5 Restraint Orders have been granted by Anguilla's High Court. • Since the last Follow-Up Report, the Reporting Authority, through the FIU, has made 20 requests under POCA section 118(2)(b) for information supplementary to SARs, bringing the total to 51, with over 90% compliance from a wide variety of institutions.

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Anguilla**

FATF 40+9	Rat -ing	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Anguilla to 9 September 2011
Preventive measures				
4. Secrecy laws consistent with the Recommendations	LC	Information sharing by the FSC with foreign regulators could be subject to court override.	<ul style="list-style-type: none"> The Anguillan Authorities should consider reviewing Section 20 of the FSC Act to ensure that there is no impediment to the sharing of information as contemplated by the FATF. 	<ul style="list-style-type: none"> Application of FSC Act s. 20 will be modified by the FSC (Amendment) Act, 2010, which the Authorities anticipate will be passed in the very near future. Specifically, a new section 20A provides, in pertinent part, as follows— <p>“Effect of application to set notice aside</p> <p>20A. (1) An application to the Court under section 20(7) does not relieve a person from compliance with the notice issued by the Commission.</p> <p>...</p> <p>(3)Where this subsection applies, notwithstanding section 24(3), the Commission shall not disclose to any other person any information provided, or documentation produced, to it in compliance with the notice to which the application or intended application relates—</p> <p>(a) unless required or permitted to do so by the Court, whether on the application of the Commission or otherwise; or</p> <p>(b) as permitted by subsection (4).</p> <p>(4)The Commission may disclose information or documentation to which subsection (3) relates if it has reasonable grounds for believing that the immediate disclosure of the information or documentation is necessary—</p> <p>(a) to protect and preserve assets, or the value of assets, that are in jeopardy; or</p> <p>(b) to assist in the prevention of the commission of an offence, whether in or outside Anguilla.</p> <p>...</p> <p>(8)Nothing in this section affects the disclosure of any information or documentation by the Commission prior to the receipt of a notice under subsection (2)(a) or the service of the application under subsection (2)(b).”</p>

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Anguilla**

FATF 40+9	Rat -ing	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Anguilla to 9 September 2011
				<p>In effect, a legal challenge does not relieve a person from compliance with the request. A person may still apply to the court to keep the FSC from further disclosing the information provided. However, the FSC may nevertheless immediately disclose the information if it has reasonable grounds for believing that the disclosure is necessary to assist in the prevention of the commission of an offence, whether that offence takes place within or outside Anguilla.</p> <ul style="list-style-type: none"> • Industry consultation process for the Bill for the FSC (Amendment) Act, 2011 has concluded. Amendments arising from consultation are being finalised and the Bill will be taken to Executive Council for approval and placement on the legislative agenda. • Since the last Follow-Up Report, two requests for information were made under Section 20 of the FSC Act, with full compliance from the institutions.

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Anguilla**

FATF 40+9	Rat -ing	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Anguilla to 9 September 2011
5. Customer due diligence	PC	<p>Effectiveness cannot be assessed due to the recent passage of the POCA, Regulations and the Code.</p> <p>The regime for the supervision of and sanction powers for domestic banks and their off-shore subsidiaries ambiguous.</p> <p>No requirement in the Regulations or Code that enhanced due diligence be applied to private banking, trusts that operate as personal holding vehicles and nominee arrangements.</p>	<ul style="list-style-type: none"> The Regulations and Code should expressly prohibit numbered accounts or alternatively, specify how these should be treated. Regulations and Code should include private banking, trusts that operate as personal asset holding vehicles and nominee arrangements as cases in which it is recommended that enhanced due diligence be applied. For clarity, the Authorities should consider providing specific guidance as it relates to the application of reduced or simplified CDD measures, as a result of required risk assessment by service providers. The Authorities should clarify the legal framework for the application of administrative sanctions by the FSC, as it relates to domestic banks. 	<ul style="list-style-type: none"> Amendment of AML/CFTR section 15 to add a definition of “anonymous account” that expressly includes numbered accounts is under consideration by the Authorities. The addition of such a definition would make it clear that numbered accounts are expressly prohibited. It is anticipated that drafting of an amending regulation will commence in the near future. The FSC has prepared a paper addressing the need to resolve this matter, and other related issues, and circulated same to the ECCB and other countries who subscribe to the ECCB Agreement. The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video conference scheduled for September 03, 2010. Amendment of AML/CFTR section 12, relating to enhanced CDD measures and on-going monitoring is under consideration by the Authorities. It is anticipated that drafting of an amending regulation will commence in the near future. Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010 and 4 March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla’s legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation. A multilateral memorandum of understanding (MMOU) provides a framework for regulatory co-operation and direct, reciprocal, communication between the ECCB, ECSRC and the domestic regulatory bodies. Anguilla is a signatory to this MMOU, which is now in force. Under the terms

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				<p>of this MMOU, information obtained in the course of an inspection by the ECCB or by the FSC may be shared directly with the other regulator.</p> <ul style="list-style-type: none"> • A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code.

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6. Politically exposed persons	LC	Effectiveness of implementation cannot be assessed given the recent passage of the Regulations and Code compounded by the limited human resource capacity both in the FSC and at most service providers in this area.	<ul style="list-style-type: none"> The Anguillan Authorities should consider including domestic PEPs in the AML/CFT framework. The Anguillan Authorities should consider having the UK extend the United Nations Convention against Corruption to their jurisdiction. 	<ul style="list-style-type: none"> In April 2011, Executive Council agreed in principle to the extension of the United Nations Convention against Corruption to Anguilla and requested a legislative analysis to ascertain the changes necessary to implement the Convention. The FIU has made 4 presentations to stakeholders, including financial institutions and NPOs, regarding PEPs (domestic and foreign) and the need to implement enhanced CDD when dealing with such persons.
7. Correspondent banking	LC	<p>Effectiveness of implementation cannot be assessed given the recent passage of the Code, however the risk as it relates to cross-border correspondent banking in the jurisdiction is low.</p> <p>Cross-border correspondent banking requirements do not extend to other financial institutions that may engage in similar cross-border relationships.</p>	<ul style="list-style-type: none"> The Anguillan Authorities should consider extending the requirements with regard to cross-border correspondent banking to other financial institutions that may engage in similar cross-border relationships. 	
8. New technologies & non face-to-face business	LC	Effectiveness cannot be assessed due to the recent passage of the POCA, Regulations and the Code.	<ul style="list-style-type: none"> The Regulations and or Code should provide for specific guidance (in line with Basel paper on Risk Management Principles for Electronic Banking) on measures to be applied in the delivery of electronic services to effectively mitigate the risk of ML/TF through this delivery channel. 	<ul style="list-style-type: none"> Sector specific guidance is under consideration by the Authorities
9. Third parties and introducers	PC	<p>Effectiveness cannot be assessed due to the recent passage of the POCA, Regulations and Code.</p> <p>No requirement for financial institutions to immediately obtain necessary information on the elements of the CDD process in criteria 5.3 to 5.6.</p> <p>High level of inherent risks presented by an introducer chain.</p>	<ul style="list-style-type: none"> The Anguillan Authorities should amend the Code or Regulations to require financial intuitions to immediately obtain CDD information (E.C. 5.3 to 5.6) from Introducers. The Anguillan Authorities should consider amending the Regulations or Code to include the requirement that a service provider accept introduced business solely from an introducer or intermediary who itself has face to face contact when completing CDD measures on which the service provider rely. 	<ul style="list-style-type: none"> Amendment of AML/CFTC section 26(1)(e), relating to information to be obtained where the service provider intends to rely on an intermediary, is under consideration by the Authorities. It is anticipated that drafting of the recommended amendments to the AML/CFTC will commence in the near future. A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code. This amendment, or an amendment to this effect, remains under consideration by Authorities.
10. Record keeping	LC	Effectiveness cannot be assessed due to recent		

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		passage of the POCA, Regulations and Code.		

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11. Unusual transactions	LC	Effectiveness cannot be assessed due to recent passage of the POCA, Regulations and Code.		
12. DNFBP–R.5, 6, 8-11	PC	<p>Due to the recent enactment of the AML & CFT Code, effective implementation of AML/CFT measures as they relate to all DNFBPs cannot be assessed.</p> <p>Deficiencies noted in Recs, 5, 6, 8-11, are also applicable to DNFBPs</p>	<ul style="list-style-type: none"> Deficiencies identified for all regulated businesses as noted for Recommendations 5, 6, 8-11 in the relevant sections of this report are also applicable to DNFBPs The outreach and training for DNFBPs, especially those which were not previously licensed by the FSC should be enhanced. Supervision of the entire DNFBP sector should commence without delay. 	<ul style="list-style-type: none"> An AML/CFT and Legal Services Unit has been established within the FSC. Responsibilities include implementation of a regulatory regime for NPOs and DNFBPs. Regulations specific to DNFBPs are in the final stages of the drafting process. Authorities anticipate they will come into effect in the very near future. The FSC has developed an outreach plan for DNFBPs, including a series of handshake visits by the Commission, a formal training programme jointly conducted with the FIU, and a brochure for DNFBPs will be posted to the FSC website. This plan will be implemented immediately on the coming into force of the DNFBP Regulations. Industry consultation process for the Non-Regulated Service Providers (Registration) Regulations, 2011 concluded. Amendments arising from consultation are being finalised and the Regulations will be taken to Executive Council for approval and Gazetting.
13. Suspicious transaction reporting	PC	<p>No explicit requirement to include attempted transaction in SARs.</p> <p>Issues regarding the effective implementation of sanctions.</p>	<ul style="list-style-type: none"> The Regulations or Code should be amended to make mandatory the requirement for the MLRO of a service provider to make a report to the Reporting Authority with regard to attempted transactions. The Authorities should clarify the legal framework for the application of administrative sanctions by the FSC, as it relates to domestic banks. Service providers should be provided with specific guidance as to how to treat with breaches that involve tax matters. 	<ul style="list-style-type: none"> Amendment of AML/CFTC section 30 to add a provision removing the MLRO's discretion in the event of an attempted transaction is under consideration by the Authorities. Such a provision would make it clear that the MLRO is required to report all attempted transactions, regardless of the amount, to the Reporting Authority. It is anticipated that drafting of the recommended amendments to the AML/CFTC will commence in the near future. The FSC has prepared a paper addressing the need to resolve this matter, and other related issues, and circulated same to the ECCB and other countries who subscribe to the ECCB Agreement. The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video

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				<p>conference scheduled for September 03, 2010.</p> <ul style="list-style-type: none"> • A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code. • Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010 and 4 March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation.

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14. Protection & no tipping-off	PC	<p>Tipping-off offence not applicable to SARs that are being reported to the FIU.</p> <p>No explicit protection for financial institutions, their directors and employees from criminal or civil liability for breach of contract etc. for reporting suspicious transactions.</p>	<ul style="list-style-type: none"> The relevant legislation should be amended so that the offence of tipping-off is applicable where a SAR is being reported. The relevant legislation should be amended to make explicit the protection provided to financial institutions, their directors and employees from criminal or civil liability for breach of any restriction on disclosure of information, breach of contract etc. for reporting their suspicion in good faith. 	<ul style="list-style-type: none"> Amendment of the POCA section 131(2)(a) is under consideration by the Authorities. Such an amendment would adjust the verb tense so that a disclosure in the process of being made, as opposed to one that has been made, would be captured as well. It is anticipated that drafting of the recommended amendments to the POCA will commence upon resolution of the issues arising from the relationship between the FSC and the ECCB/ECSRC. A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code.
15. Internal controls, compliance & audit	LC	<p>No requirement to maintain an adequately resourced and independent audit function to test AML/CFT compliance.</p> <p>No provision for other appropriate staff to have timely access to customer identification data and other CDD information.</p>	<ul style="list-style-type: none"> The Regulations and or Code should be amended to include a requirement to maintain an adequately resourced, independent internal audit function to test compliance (including sample testing) with a service providers AML/CFT framework. Appropriate staff other than the MLCO should have timely access to customer identification data and other CDD information. . 	<ul style="list-style-type: none"> AML/CFTR section 20 and AML/CFTC section 8 are under review to determine what amendments might be made to clarify the existing provisions that establish the requirement to maintain an adequately resourced, independent internal audit function to test compliance. Amendment of AML/CFTC section 34, relating to the manner in which records are kept, is under consideration by the Authorities. It is anticipated that drafting of the recommended amendments to the AML/CFTC will commence in the near future. A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code.
16. DNFBP–R.13-15 & 21	PC	<p>Deficiencies identified for financial institutions for R13, R15 and R21 in sections 3.7.3, 3.8.3 and 3.6.3 of this Report are also applicable to DNFBPs.</p> <p>Due to the recent enactment of the Code, it is difficult to assess whether all DNFBPs have been filing STRs and SARs.</p> <p>DNFBPs are not required to file SARs on attempted suspicious transactions regardless of the amount of the transaction.</p>	<ul style="list-style-type: none"> The AML & TF Code should be amended to include attempted transactions. Other recommendations set out in section 3.7 of this Report as they relate to Recommendation 13 would also pertain to this section. 	<ul style="list-style-type: none"> Amendment of AML/CFTC section 30 to add a provision removing the MLRO's discretion in the event of an attempted transaction is under consideration by the Authorities. Such a provision would make it clear that the MLRO is required to report all attempted transactions, regardless of the amount, to the Reporting Authority. It is anticipated that drafting of the recommended amendments to the AML/CFTC will commence in the near future. An AML/CFT and Legal Services Unit has been established within the FSC. Responsibilities include

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				<p>implementation of a regulatory regime for NPOs and DNFBPs.</p> <ul style="list-style-type: none"> • Regulations specific to DNFBPs are in the final stages of the drafting process. Authorities anticipate they will come into effect in the very near future. • The FSC has developed an outreach plan for DNFBPs, including a series of handshake visits by the Commission, a formal training programme jointly conducted with the FIU, and a brochure for DNFBPs will be posted to the FSC website. This plan will be implemented immediately on the coming into force of the DNFBP Regulations. • By application of section 24(2)(c) of the AML/CFTR, the requirement for DNFBPs to file SARs on attempted suspicious transactions came into effect as of 1 November 2009. • A consultant has been engaged to draft the necessary amendments to the AML/CFT Regulations and Code. • Industry consultation process for the Non-Regulated Service Providers (Registration) Regulations, 2011 concluded. Amendments arising from consultation are being finalised and the Regulations will be taken to Executive Council for approval and Gazetting.

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17. Sanctions	PC	<p>The ECCB does not have the power to sanction for AML/CFT breaches.</p> <p>System for levying administrative fines on domestic banks and their offshore banking subsidiaries for breaches of the POCA, Regulations and Code may be ineffective.</p> <p>The ECSRC does not have the power to sanction for AML/CFT breaches.</p> <p>The ECCB may only apply sanctions where breaches were discovered during an examination.</p> <p>The sanction powers available to the ECCB are not congruent to those available under the POCA framework for AML/CFT breaches.</p> <p>Applicable sanctions under the POCA and the Code are fairly new therefore effectiveness cannot be properly tested.</p>	<ul style="list-style-type: none"> The Authorities should clarify the framework for the application of sanctions (including the levying of administrative fines on domestic banks and their offshore banking subsidiaries), given that all AML/CFT supervisory and sanction powers are vested in the FSC, which has no delegation powers in this regard. The Banking Act should be amended so that ECCB could be granted the power to apply sanctions for AML/CFT breaches. The Securities Act should be amended so that the ECSRC could be granted the power to apply sanctions for AML/CFT breaches. 	<ul style="list-style-type: none"> The FSC has prepared a paper addressing the need to resolve this matter, and other related issues, and circulated same to the ECCB and other countries who subscribe to the ECCB Agreement. The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video conference scheduled for September 03, 2010. Amendment of the Banking Act is addressed in the FSC's paper referred to above and will be considered by the parties. Amendment of the Securities Act is addressed in the FSC's paper referred to above and will be considered by the parties. Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010 and 4 March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation. In the discussions noted above, amendments to the Banking Act and the Securities Act were considered. However, as these acts are harmonised throughout the region, it was determined that amending them was not a suitable solution. Instead, each regulatory authority was to determine their powers under the AML/CFT framework, or other relevant legislation, in their jurisdiction. As noted above, the Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet

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				its oversight responsibilities.

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18. Shell banks	C	This Recommendation has been fully observed.	The Anguillan Authorities should consider including an explicit prohibition of shell banks in the Regulations or Code.	Shell banks are explicitly prohibited in law by the Prohibition of Licensing of Shell Banks Regulations, 2009 (No. 26 of 2009); made by the Governor in Council on 24 September, and effective from 30 September, 2009.
19. Other forms of reporting	C	This Recommendation is fully observed.		
20. Other NFBP & secure transaction techniques	NC	<p>The two institutions identified by the authorities as being at risk for AML/CFT are not subject to the requirements of Recommendations 5, 6, 8, 11, 13 – 15, 17 and 21.</p> <p>The Payment Systems Bill has not yet been implemented.</p>	<ul style="list-style-type: none"> • All institutions other than DNFBS and designated financial institutions, which pose a potential AML/CFT risk should be required to adhere to the FATF AML/CFT requirements. • Lotteries in particular should be subject to licensing and supervisory requirements. • The Payment Systems Bill should be implemented without delay. 	<ul style="list-style-type: none"> • The internet platform for securities training has been informed by the FSC of the need to be licensed by the ECSRC without delay. • The Authorities are actively considering application of AML/CFT requirements to lotteries • ECSRC has indicated to the Anguilla FSC that they are working with internet platform for securities trading on the licensing application process.
21. Special attention for higher risk countries	PC	<p>Service providers only required to apply enhanced CDD and ongoing monitoring regarding dealings and transactions with countries with weak AML/CFT systems.</p> <p>Effectiveness cannot be assessed due to recent passage of the POCA, Regulations and Code.</p>	<ul style="list-style-type: none"> • Regulation 22 should be amended to authorise the relevant authorities to require service providers to take appropriate actions or counter-measures for countries that do not apply or insufficiently apply the FATF Recommendations. • The Anguillan Authorities should consider a wider range of counter-measures that should be taken against countries that fail to apply appropriate AML/CFT standards. 	<ul style="list-style-type: none"> • Amendment of AML/CFTR section 22 is under consideration by the Authorities. It is anticipated that drafting of the recommended amendments to the AML/CFTR will commence in the near future. • Advisory issued by FSC in response to FATF statements re Iran and DPRK, as well as countries with weak AML/CFT systems. (See http://www.fsc.org.ai/PDF/Notice%20for%20Overseas%20Jurisdictions.pdf for copy of Notice)
22. Foreign branches & subsidiaries	C	This Recommendation has been fully observed.		
23. Regulation, supervision and monitoring	PC	<p>Fit and Proper requirements do not currently apply to money service providers and credit unions</p> <p>Financial Co-operatives (Credit Unions) are not supervised for AML/CFT compliance.</p>	<ul style="list-style-type: none"> • The POCA and its attendant Regulations should make clear the role of the ECCB as it relates to the supervision of AML/CFT implementation in domestic banks and other financial institutions licensed under the Banking Act. • The Directors, Senior Managers and Shareholder controllers of Money Services Businesses and 	<ul style="list-style-type: none"> • The FSC has prepared a paper addressing the need to resolve this matter, and other related issues, and circulated same to the ECCB and other countries who subscribe to the ECCB Agreement. • The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video

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		<p>Lack of legal jurisdiction by the ECCB to effectively supervise AML/CFT implementation in domestic banks and their offshore subsidiary banks.</p> <p>The ECSRC does not conduct onsite inspections of any kind on its licensees and lacks power to inspect and sanction for AML/CFT purposes.</p> <p>The ECCB cannot directly share information with the FSC on AML/CFT matters pertaining to licensees without an MOU.</p> <p>MSBs are not yet subject to a licensing regime.</p>	<p>Financial Co-operatives should be subject to a fit and proper test at the time of licensing.</p> <ul style="list-style-type: none"> Financial Co-operatives should be supervised for AML/CFT compliance. 	<p>conference scheduled for September 03, 2010.</p> <ul style="list-style-type: none"> Amendment of the POCA and its attendant Regulations is addressed in the FSC's paper referred to above. Whether such an amendment is necessary and the extent of any such amendment will be dependant on the outcome of the decisions taken by the ECCB and other parties to the ECCB Agreement. Two of the four Money Services Businesses operating on Anguilla have become licensed under the MSB Act. As such, they were subjected to the fit and proper test. The FSC is actively working with the remaining companies to complete application process. Amendment of the Co-operative Societies Rules to impose fit and proper requirements on committee members and treasurers is under consideration by the Authorities. The Anguillan Authorities are considering a harmonized draft of new Co-operative Societies legislation. Such legislation would make Anguilla's only co-operative society a "service provider" for the purposes of the AML/CFT legislation and would bring them under the supervision of the FSC for AML/CFT compliance. Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010 and 4 March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation. As noted in the previous Follow-Up Report, 2

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				<p>MSBs are licensed. The application of one of the remaining MSBs has been determined and the licence was not granted. MSB operations by that entity have been terminated.</p> <p>The application for licensing of the last MSB is under consideration, with an AML/CFT onsite visit scheduled in the next week. It is anticipated that the application will be determined soon thereafter.</p> <ul style="list-style-type: none"> • FSC provided AML/CFT training to the MSBs in May 2011. • FSC along with the FIU provided several training sessions on AML/CFT training to financial institutions staff and board of directors in October and November 2010 and April 2011. • The Anguilla FSC has engaged the co-operative society in consultations. An on-site inspection is soon to be scheduled.

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24. DNFBP - regulation, supervision and monitoring	PC	<p>Unable to assess effective implementation of the Code due to its recent enactment.</p> <p>DNFBPs which are not licensed by the FSC are not monitored for compliance with AML/CFT statutes.</p> <p>Resources available to the FSC are inadequate to allow for proper supervision of the DNFBP sector.</p>	<ul style="list-style-type: none"> • Training and outreach to the DNFBP sector should continue. 	<ul style="list-style-type: none"> • An AML/CFT and Legal Services Unit has been established within the FSC. Responsibilities include implementation of regime for NPOs and DNFBPs. • Regulations specific to DNFBPs are in the final stages of the drafting process. Authorities anticipate they will come into effect in the very near future. • Once the DNFBP Regulations are in effect, the FSC will implement its outreach plan, including a series of handshake visits by the Commission, a formal training programme jointly conducted with the FIU, and a brochure for DNFBPs will be posted to the FSC website. • Industry consultation process for the Non-Regulated Service Providers (Registration) Regulations, 2011 concluded. Amendments arising from consultation are being finalised and the Regulations will be taken to Executive Council for approval and Gazetting. • The Financial Services Commission has, as of July 2011, further increased its capacity by filling the position of Deputy Director.
25. Guidelines & Feedback	PC	<p>No general feedback given with regard to SARs statistics, current techniques, methods, typologies and trends.</p> <p>The Guidance Notes do not contain sector specific information.</p> <p>The effectiveness of the newly issued Guidance provided in the Code could not be assessed due to the recent passage of the Code.</p> <p>Unable to assess effective implementation of the Code due to its recent enactment.</p>	<ul style="list-style-type: none"> • Sector specific guidance on money laundering and terrorist financing should be placed in the Guidance Notes. • The review of the FSCA should commence as soon as possible and the range of sanctions available to the FSC be made more proportional and dissuasive. 	<ul style="list-style-type: none"> • The FIU has published its Annual Report for 2009, which contains general feedback, including statistics and information on current techniques, methods and trends or typologies. • Review of the FSC Act has been completed and an Amending Act is in the final stages of the drafting process. It is anticipated that this Act will be passed in the very near future. • The FIU has published its Annual Report for 2010, which contains general feedback, including statistics and information on current techniques, methods and trends or typologies. • Industry consultation process for the Bill for the FSC (Amendment) Act, 2011 has concluded. Amendments arising from consultation are being

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				<p>finalised and the Bill will be taken to Executive Council for approval and placement on the legislative agenda.</p> <ul style="list-style-type: none"> • Administrative Penalties Regulations made under the FSC Act are currently being drafted.

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Institutional and other measures				
26. The FIU	PC	<p>The FIU is not an autonomous body.</p> <p>Office space not sufficient at the FIU to adequately accommodate the staff.</p> <p>Amount of FIU staff not sufficient to allow inclusion of the DNFBPs in the regulatory regime.</p> <p>No fire resistant filing cabinets for the storage of the SARs.</p>	<ul style="list-style-type: none"> The Anguillan Authorities should consider enacting separate legislation for the creation and functions of the FIU so as to alleviate the problem with autonomy. 	<ul style="list-style-type: none"> During the past year, the MLRA has actively considered many issues relevant to the administration and structure of the Financial Intelligence Unit. These issues include establishment of the Financial Intelligence Unit as an autonomous body and recruitment of additional personnel. To date, the MLRA has approved— <ul style="list-style-type: none"> rental of additional, secure, office space outside the RAPF headquarters immediate recruitment of a financial analyst establishment of an independent budget to cover training and other needs of the Financial Intelligence Unit purchase of fire resistant filing cabinets for the storage of SARs Administrative arrangements necessary to implement these decisions are currently underway.
27. Law enforcement authorities	C	This Recommendation has been fully observed.		
28. Powers of competent authorities	C	This Recommendation has been fully observed.		
29. Supervisors	PC	The FSC which is responsible for ensuring AML/CFT compliance does not monitor the domestic banking sector, which is the largest component of the	<ul style="list-style-type: none"> The Banking Act should provide that the ECCB can examine licensees to ascertain compliance with other statutes that apply to these entities, especially where 	<ul style="list-style-type: none"> The FSC has prepared a paper addressing the need to resolve this matter, and other related issues, and circulated same to the ECCB and other countries

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		<p>financial sector in Anguilla.</p> <p>The ECCB which does conduct the onsite inspections (though it does not have the authority to do so), does not share the information directly with the FSC.</p> <p>The FSC does not ensure that recommendations for remedial action as set out in the ECCB's report are implemented.</p> <p>The ECCB has no legal authority to conduct onsite AML/CFT inspections.</p> <p>The ECSRC has no authority to conduct onsite AML/CFT inspections.</p>	<p>AML/CFT is concerned.</p> <ul style="list-style-type: none"> • The Banking Act should be amended so that ECCB could be granted the power to apply sanctions for AML/CFT breaches. • The ECSRC should be expressly given the authority to supervise its licensees for AML/CFT. • The MSB Act should be implemented without delay. 	<p>who subscribe to the ECCB Agreement.</p> <ul style="list-style-type: none"> • The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video conference scheduled for September 03, 2010. • Amendment of the Banking Act is addressed in the FSC's paper referred to above and will be considered by the parties. • Amendment of the Securities Act is addressed in the FSC's paper referred to above and will be considered by the parties. • Two of the four Money Services Businesses operating on Anguilla have become licensed under the MSB Act. The FSC is actively working with the remaining companies to complete application process. • Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010, 4 March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation. • The AML/CFT Department of the FSC has scheduled 11 AML/CFT compliance visits to be conducted from July 2011 to October 2011. As of 1 September, 6 of the 11 have been completed.

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30. Resources, integrity and training	PC	<p>Insufficient training for Customs in cross-border issues and financial investigations.</p> <p>Insufficient office space for the FIU.</p> <p>Lack of sufficient staff to properly review additional sectors.</p> <p>SARs not maintained in fire resistant filing cabinets.</p> <p>Insufficient training in AML/CFT for prosecutors and the Judiciary.</p> <p>Insufficient staff at the FSC, given the number of financial institutions to be supervised.</p>	<ul style="list-style-type: none"> Customs should be provided more training in cross – border issues, and financial investigations, and asset forfeiture. The FIU should expand its offices to accommodate the current staff and any future increases in staff. Anguilla should obtain additional staff at the FIU to prepare for the inclusion of the DNFBPs in the regulations and such staff should include a dedicated legal advisor. The FIU should be provided with fire resistant filing cabinets for the storage of their SARs. The staff of the FIU should be provided with training in advanced financial investigations, civil and criminal forfeiture provisions and terrorist financing. The Anguillan Authorities should provide prosecutors and Judges with training in financial investigations, civil/criminal forfeiture, ML/TF. The Anguillan Authorities should consider amending the POCA to make clear the institutional arrangements between, and the roles and functions of, the policy making MLRA and the operational FIU. The FSC should be provided with additional staff so as to adequately meet its supervisory functions for all the financial institutions under its supervision. 	<ul style="list-style-type: none"> Customs officers (including Deputy Comptroller) received training in recognition of cash connected with drug cartels on 21 July 2010. All Customs officers received training in risk assessment during the week of 17 August and the first week of September 2010. A risk assessment team will be formed in the near future to ensure effective implementation of risk assessment techniques. Authorities are considering secondment of legal counsel to the FIU. The Financial Services Commission has, as of March 2010, established a dedicated AML/CFT and Legal Services Unit, whose responsibilities include implementation of the regulatory regime for NPOs and DNFBPs. During the past year, the MLRA has actively considered many issues relevant to the administration and structure of the Financial Intelligence Unit. These issues include establishment of the Financial Intelligence Unit as an autonomous body and recruitment of additional personnel. To date, the MLRA has approved— <ul style="list-style-type: none"> rental of additional, secure, office space outside the RAPF headquarters immediate recruitment of a financial analyst establishment of an independent budget to cover training and other needs of the Financial Intelligence Unit purchase of fire resistant filing cabinets for the storage of SARs Administrative arrangements necessary to

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				<p>implement these decisions are currently underway.</p> <ul style="list-style-type: none"> • Workshop for Eastern Caribbean Financial Investigators and Prosecutors sponsored by the UK FCO held in Antigua 22nd – 23rd March 2011 and attended by Crown Counsel and a member of the Financial Crimes Unit of the RAPE. Topics included review of ML in each jurisdiction including legislation and typologies; establishment of regional computer investigation laboratory; international cooperation and asset sharing; functions of the Serious Organised Crime Agency; audit of financial legislation and updates in ML case law • 2 day workshop during the last week of March 2011 on implementation of the Proceeds of Crime Act 2009, its investigative powers and measures for freezing, seizure, confiscation and civil forfeiture was attended by the following law enforcement authorities— <ul style="list-style-type: none"> ○ All members of the FIU ○ 4 members of Attorney General's Chambers comprising 2 prosecutors, 1 Civil Crown Counsel and 1 Parliamentary Counsel ○ 2 Customs Officers ○ 1 Immigration Officer ○ Head of the FSC AML/CFT Unit • Magistrates and prosecutor attended week long workshop in November 2010 on the Proceeds of Crime and prosecutions conducted by Mark Sutherland Williams and Dan Suter sponsored by the British High Commission's Eastern Caribbean Financial Investigation Advisory Team. • High Court Judge and Registrar attended 1 day workshop during the last week of March 2011 on

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				<p>the Proceeds of Crime Act 2009</p> <ul style="list-style-type: none"> • Acting Senior Crown Counsel (Criminal) attended Commonwealth Caribbean Prosecutors' Conference April 29 – May 1, 2011. Conference topics included The Proceeds of Crime Act; The Advocate's Perspective and Investigative Tools and Proceedings; Combating the Financing of Terrorism; Extradition: the Approach and Recommended Best Practices. • The Financial Services Commission has, as of July 2011, further increased its capacity by filling the position of Deputy Director. • Interviews have been conducted to fill vacancy on Board of Directors by September 30, 2011. • In June 2011, the secondment of a CFTC consultant to the FSC to assist with oversight and training of the Insurance Sector was approved.

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31. National cooperation	C	This Recommendation has been fully observed.		
32. Statistics	PC	<p>Customs does not maintain statistics on cross-border transportation of currency and bearer negotiable instruments.</p> <p>No statistics maintained on cross-border incidents prior to 2008.</p>	<ul style="list-style-type: none"> Customs should maintain statistics regarding cross-border transportation of currency and bearer negotiable instruments. Customs should ensure that all cross-border incidents be reported and documented on the OTRIS system, thus providing continued and timely access to this information by Police, the FIU and other competent authorities. The FIU should put in place the appropriate mechanisms to allow for the collection and analysis of statistics on wire transfers carried out by the financial institutions. 	<ul style="list-style-type: none"> An electronic form consistent with the Report of International Transportation of Currency or Monetary Instrument has been programmed into the OTRICS system, enabling access to the information obtained by the Police, FIU and other competent authorities. This new programming is currently undergoing beta testing and it is anticipated that it will be fully operational in the very near future. Beta testing of an electronic form consistent with the Report of International Transportation of Currency or Monetary Instrument has been completed and brought into active use on the OTRICS system, enabling access to the information obtained by the Police, FIU and other competent authorities.
33. Legal persons–beneficial owners	C	This Recommendation has been fully observed.		
34. Legal arrangements – beneficial owners	LC	There have been no onsite examinations/information requests of independent legal professionals (with respect to trusts), or in respect of foundations to duly determine the effectiveness of access, by competent authorities, to required information.	<ul style="list-style-type: none"> It is recommended that the registration of a trust be made mandatory by law. This would allow the competent authorities at a minimum, to be duly aware of all trusts (and their accompanying due details) existent in Anguilla. 	
International Cooperation				
35. Conventions	LC	The Palermo Convention and the 1999 Terrorist Financing Convention have not been duly extended to Anguilla.	<ul style="list-style-type: none"> Anguilla should request, forthwith, extension of the said un-extended Conventions. 	
36. Mutual legal assistance (MLA)	C	This Recommendation is fully observed.		
37. Dual criminality	C	This Recommendation is fully observed.		
38. MLA on confiscation and freezing	C	This Recommendation has been fully observed.		
39. Extradition	LC	There have been no extradition requests to duly		<ul style="list-style-type: none"> Acting Senior Crown Counsel (Criminal)

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		determine the effectiveness of MLA in this regard.		attended Commonwealth Caribbean Prosecutors' Conference April 29 – May 1, 2011. Conference topics included Extradition: the Approach and Recommended Best Practices.

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40. Other forms of co-operation	C	This Recommendation has been fully observed.		
9 Special Recommendations				
SR.I Implement UN instruments	LC	The 1999 Terrorist Financing Convention has not been duly extended to Anguilla.		
SR.II Criminalize terrorist financing	LC	There have been no FT investigations or prosecutions under the CFT legislation, thus effectiveness cannot be duly determined.		<ul style="list-style-type: none"> • During 2010, the RAPF undertook an investigation of suspected TF activities. The investigation was recently concluded with no charges being brought. • Information gleaned from SARs relating to possible TF activities has been shared via Egmont with competent authorities in the relevant jurisdictions.
SR.III Freeze and confiscate terrorist assets	LC	There have been no restraints orders made with regard to FT thus effectiveness cannot be duly determined.	<ul style="list-style-type: none"> • The Authorities in Anguilla should duly arrange a less vulnerable process of listing and de-listing. 	
SR.IV Suspicious transaction reporting	PC	<p>No explicit requirement to include attempted transactions in STR.</p> <p>Issues regarding the effective implementation sanctions.</p>	<ul style="list-style-type: none"> • The Regulations or Code should be amended to make mandatory the requirement for the MLRO of a service provider to make a report to the Reporting Authority with regard to attempted transactions re financing of terrorism. 	<ul style="list-style-type: none"> • Amendment of AML/CFTC section 30 to add a provision removing the MLRO's discretion in the event of an attempted transaction is under consideration by the Authorities. Such a provision would make it clear that the MLRO is required to report all attempted transactions, regardless of the amount, to the Reporting Authority. It is anticipated that drafting of the recommended amendments to the AML/CFTC will commence in the near future.
SR.V International cooperation	LC	<p>There have been no MLA requests under the CFT legislation, thus the effectiveness of rendering MLA thereunder cannot be duly determined.</p> <p>There have been no extradition requests in relation to the FT, thus effectiveness cannot be duly determined</p>	<ul style="list-style-type: none"> • The Anguillan Authorities should criminalise the commission of terrorist acts as particularized and free standing crimes. 	<ul style="list-style-type: none"> • Research for precedents of similar legislation has begun.
SR.VI AML	PC	Money Services Business Act not yet implemented,	<ul style="list-style-type: none"> • All existing MVTs service operators should be 	<ul style="list-style-type: none"> • Two of the four Money Services Businesses

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requirements for money and value transfer services		<p>therefore MVT operators are not licensed under the Act.</p> <p>No requirement for licensed or registered MVT operators to maintain a current list of agents.</p> <p>Penalties lack specificity and proportionality, thereby undermining their effectiveness and dissuasiveness.</p>	<p>licensed under the new MSBA without delay.</p> <ul style="list-style-type: none"> Licensed MVT service operators should be required to maintain a current list of agents. Such a list should be made available for inspection by the FSC. Section 17(3) of the MSBA should refer to mandatory obligations under both AML and CFT enactments. 	<p>operating on Anguilla have become licensed under the MSB Act. The FSC is actively working with the remaining companies to complete application process.</p> <ul style="list-style-type: none"> Licensed MVT service operators are required by Section 9 of the MSB Act requires that an MSB may only carry out business at the location identified in its licence or approved by the Authority (the FSC). Any change in locations (whether by adding or terminating an agency relationship) must be notified to the FSC. As noted above, two of the four MVT service operators in Anguilla are licensed and the FSC is actively working to licence the remaining 2. A request for such amendment has been made to the Legislative Drafting Unit. As noted in the previous Follow-Up Report, 2 MSBs are licensed. The application of one of the remaining MSBs has been determined and the licence was not granted. MSB operations by that entity have been terminated. The application for licensing of the last MSB is under consideration, with an AML/CFT onsite visit scheduled in the next week. It is anticipated that the application will be determined soon thereafter.
SR.VII Wire transfer rules	PC	<p>No requirement for each intermediary and beneficiary financial institution in the payment chain to ensure that full originator information accompanies transfer.</p> <p>Effectiveness cannot be assessed due to recent passage of the POCA, Regulations and the Code and the limited supervisory actions that have been taken.</p> <p>The regime for supervision and sanction powers for domestic banks and their offshore subsidiaries are</p>	<ul style="list-style-type: none"> The Code should explicitly address the issue of a payment chain that may include a series of intermediaries and beneficiary financial institutions whereby each party in the payment chain should be required to ensure that full originator that accompanies a wire transfer is transmitted with the transfer. The regime for supervision and sanction powers for domestic banks and their offshore subsidiaries should be clarified. 	<ul style="list-style-type: none"> The FSC has prepared a paper addressing the need to resolve the ambiguities relating to supervision and sanction powers for domestic banks and their offshore subsidiaries, and other related issues, and circulated same to the ECCB and other countries who subscribe to the ECCB Agreement. The matter of regulatory collaboration with ECCB/ECSRC/FSC had been afforded a confirmed place on the agenda of the ROC regional video conference scheduled for September 03, 2010. Discussions were held with the FSC and ECCB on 3 September 2010, 3 December 2010 and 4

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		ambiguous.		March 2011. It was agreed that responsibility for the AML/CFT oversight for domestic banks and their off-shore subsidiaries, including the ability to enforce sanctions for non-compliance, was to lie with the domestic jurisdiction. For Anguilla, this decision places the responsibility with the FSC. The Anguilla Authorities have requested an analysis of Anguilla's legislative framework to ensure that the FSC has the necessary legal authority to meet this obligation.

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SR.VIII Nonprofit organizations	NC	<p>No supervisory programme in place to ensure compliance with AML/CFT legislation.</p> <p>All NPOs are not registered therefore the relevant information on all NPOs is not publicly available.</p> <p>Existing NPOs not required to adhere to AML/CFT legislation.</p> <p>No specified period for all NPOs to keep records.</p> <p>Unable to assess the effectiveness of domestic cooperation due to the current status of the NPO sector.</p>	<ul style="list-style-type: none"> The Anguillan Authorities should undertake an outreach programme to the NPO sector with a view to protecting the sector from terrorist financing abuse. The Anguillan Authorities should ensure that AML/CFT policies which specifically pertain to the NPO sector are finalized and implemented without delay. Outreach programs which include AML/CFT training should be devised to provide instruction for the NPO sector. A supervisory authority for the NPO sector should be designated without delay. A mandatory registration/licensing system for all NPOs should be implemented as soon as possible. The purpose and objectives of all NPOs should be publicly known. NPOs should be required to adhere to the AML/CFT legislation. The AML/CFT Code specifically for NPOs should be finalized and implemented without delay. 	<ul style="list-style-type: none"> An AML/CFT and Legal Services Unit has been established within the FSC. Responsibilities include implementation of a regulatory regime for NPOs and DNFBPs. Implementation of the NPO outreach programme is a high priority for the Unit and has included the following, to date: <ul style="list-style-type: none"> a series of handshake visits by the Commission to NPOs during the month of August a formal training program jointly conducted with the FIU will take place September 8, 2010 an informational brochure for NPOs has been posted to the FSC website at: http://www.fsc.org.ai/PDF/NPO%20Brochure.pdf NPO Regulations were signed and Gazetted on 28 May 2010. They include policies regarding required disclosures and record keeping. Part 2 of the NPO Regulations establishes the FSC as the supervisory authority and outlines its functions and duties as such. These specifically include monitoring for compliance with AML/CFT legislation. Section 5 of the NPO Regulations requires that all NPOs must be registered unless they are exempt. An NPO is exempt if its gross annual income does not exceed \$5,000ECD and its assets do not exceed \$10,000ECD. The registration process is due to be fully implemented by 31 October 2010, as indicated by section 14. Section 4(2) requires that the purpose and objectives, as well as the identity of the persons who own, control or direct the NPO shall be maintained in a public Register. As noted above, NPOs will be monitored for compliance with AML/CFT legislation.

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				<ul style="list-style-type: none"> • Implementation of the NPO Regulations is currently under way. Initial response from the sector has been positive and many NPOs have applied for registration. The FSC is currently taking steps to identify those NPOs that have not applied for registration and initiate enforcement action. • The AML/CFT Department of the FSC, as part of their NPO outreach programme, published three news releases in the local newspaper and on the FSC website. These news releases are as follows: <ul style="list-style-type: none"> • Safeguarding of the Non-Profit Organisations (NPOs) Sector in Anguilla, which can be found at http://www.fsc.org.ai/PDF/Safeguarding%20NPOS.pdf • Safeguarding of the Non-Profit Organisations (NPOs) Sector in Anguilla – Best Practice Principles, which can be found at http://www.fsc.org.ai/PDF/Safeguarding%20NPOS-Best%20Practice.pdf • Safeguarding of the Non-Profit Organisations (NPOs) Sector in Anguilla – Review of NPOs Regulations, which can be found at http://www.fsc.org.ai/PDF/Safeguarding%20NPOS-Regs.pdf • The NPO outreach programme was continued with presentations made by the FIU regarding potential abuse of NPOs and PEPs (domestic and foreign) and the need to implement enhanced CDD when dealing with such persons.

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SR.IX Cash Couriers	PC	<p>Cross-border transactions not yet computerized and therefore, not readily available to law authorities in Anguilla.</p> <p>No specialized training in anti-terrorism issues.</p>	<ul style="list-style-type: none"> • Anguillan Authorities/H.M. Customs should remove the incorrect signage with regard to the declaration at its ports of entry. • Anguilla should include in their POCA a section specifically relating to the seizure of cash and bearer negotiable instruments at their borders. 	<ul style="list-style-type: none"> • Incorrect signage has been removed; replacement signage will be ordered as soon as austerity measures are lifted. • Amendments proposed to the Customs Act providing specifically for the requirement to declare cash and bearer negotiable instruments at the border (including in the post) and for seizure of same. Amending Act to come into force 30 September 2010. • An electronic form consistent with the Report of International Transportation of Currency or Monetary Instrument has been programmed into the OTRICS system, enabling access to the information obtained by the Police, FIU and other competent authorities. This new programming is currently undergoing beta testing and it is anticipated that it will be fully operational in the very near future. • Customs (Amendment) Act, 2010 came into force on 30 September 2010. It contained the following provisions: Importation and exportation of goods by post ... (2A) Without prejudice to subsection (1) or (2), any person who— (a) claims a letter or postal package arriving in Anguilla; or (b) posts a letter or postal package in Anguilla for transmission abroad; which contains currency, cheques or monetary instruments, or any combination thereof, of or exceeding \$27,000, or the equivalent in any currency or combination of currencies, shall declare and make a report of same in such form and manner and containing such particulars as the Comptroller may direct. (2B) Any person failing to declare and make a report as required under subsection (2A) is guilty

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				<p>of an offence and is liable to a fine of \$10,000 or 3 times the value of the currency, cheques or monetary instruments not declared or reported, whichever is the greater.</p> <p>Customs control of persons entering or leaving Anguilla</p> <p>(2) Any person entering or leaving Anguilla shall—</p> <p>(a) if he is in possession of currency, cheques or monetary instruments, or any combination thereof, of or exceeding \$27,000, or the equivalent in any currency or combination of currencies, shall declare and make a report of same in such form and manner and containing such particulars as the Comptroller may direct; ...</p> <ul style="list-style-type: none"> • (3) Any person failing to declare any baggage or thing as required under this section is guilty of an offence and is liable to a fine of \$10,000 or 3 times the value of the thing not declared or the baggage or thing not produced, as the case may be, whichever is the greater.