

Montserrat Financial Services Commission



**ANTI-MONEY LAUNDERING (AML), COUNTERING
TERRORIST FINANCING (CTF) & COUNTERING
PROLIFERATION FINANCING (CPF)
SECTORAL RISK ASSESSMENT
FOR
FINANCIAL INSTITUTIONS (FIs) AND DESIGNATED
NON-FINANCIAL BUSINESSES AND PROFESSIONS
(DNFBPs)**

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CHAPTER 1: Introduction

The Financial Services Commission (“the FSC”) is an independent statutory body established in 2001. The Financial Services Commission Act, 2008 provides for the functions of the Commission, which is responsible for the licensing, supervision and regulation of financial service providers including domestic banks, international banks, trust companies, insurance companies, corporate service providers, company managers, international business companies, and money transmitter services.

The FSC is also the sole supervisory authority of non-financial service providers, including law firms, real estate agents, accountants, and other dealers of high value commodities and luxury goods. The FSC is the designated supervisor of Non-Profit Organizations (NPOs), that monitors compliance with the sector’s obligations in the anti-money laundering and countering the financing of terrorism (AML/CFT) legislations.

Pursuant to the Banking Act 2015, the Eastern Caribbean Central Bank (ECCB) is the prudential supervisor and licensed authority for licensed financial institutions (LFIs) within the eight (8) territories in the Eastern Caribbean Currency Union (ECCU), which includes Montserrat.

The FSC has enhanced its supervisory framework to risk-based to deepen its understanding of the AML/CFT risks to the entities it regulates so to as ensure the appropriate risk mitigation measures are applied. Engagement with, and input from, the private sector has also been part of this process, to ensure industry is aware of ML and TF risks, can comply with relevant requirements and develop their own risk assessment measures.

No jurisdiction is totally immune from ML and TF risks. This sectoral risk assessment has been conducted to ensure the FSC continues to identify, assess, and address ML and TF risks in the regulated entities effectively. Additional robust policies, strategies and resources will be built up appropriately to combat an equally changing risk landscape.

Requirements and guidance from the Financial Action Task Force (FATF) have been the basis for this evolution, to maintain compliance with international standards. Understanding the context and elements of the jurisdiction’s position, to ensure regime changes are practical as well as effective, has also been essential.

Relevant FATF requirements

FATF remains the acknowledged international standard setter for AML/CTF matters. The FATF Recommendations and associated Methodology list the requirements for framework and mechanisms that jurisdictions and their relevant public and private sector agencies must have in place to combat money laundering, proliferation, and terrorist financing.

FATF Guidance on risk-based supervision issued in March 2021 entitled: “What does the supervisory risk assessment process involve?” stated:

Assessing inherent risks

Inherent risks are ML/TF risks intrinsic to a sector or an entity’s business activities before any AML/CFT controls are applied. Inherent risks are associated with features of a business (including their nature, scale and complexity) or characteristics of their business activities with respect to customers, products and services, geographic regions and delivery channels. Certain features or characteristics pose higher or lower risks than others.

Supervisors should allocate adequate resources to ensure a good understanding of the inherent risks of the regulated entities, leveraging their own knowledge of the business activities of the sector or through engagement with experts in those fields.

As set out in FATF's Recommendation 1, regulated entities must assess the ML/TF risks facing their businesses. Regulated entities' risk assessments may help to inform supervisors' view of risk and enable them to obtain information on specific risk categories (e.g., products, services, customers, delivery channels and geographic locations) relevant to the entity. They also help to inform supervisors' understanding of risks within a sector and at the entity level. Supervisors should provide guidance and clarify the supervisory expectations for entity risk assessments. This will help supervisors receive more organised and informative entity-level risk assessments to support their understanding of the entity-level risks.

In addition to risk categories referenced in Recommendation 1, AML/CFT supervisors in developing their risk assessment should also take into account other supervisory information available to them, including entity type risks such as the systemic importance of the entity to the sector in which it operates from the AML/CFT angle and its key financial indicators. When considering these factors, supervisors should take into account characteristics of the sector(s) as well as contextual factors and use judgement to determine their implications for ML/TF risks. For example:

- (a) An institution that aggressively expands its market share or changes its business model may be more willing to take risks, compared to an institution with an established, lower risk client base and operating model.
- (b) For entities which are part of larger countries, they should identify, assess, and understand the money laundering and terrorist financing risks for the country, and should take action, including designating an authority or mechanism to coordinate actions to assess risks, and apply resources, aimed at ensuring the risks are mitigated effectively. Based on that assessment, countries should apply a Risk-Based Approach (RBA) to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the risks identified. This approach should be an essential foundation to efficient allocation of resources across the anti-money laundering and countering the financing of terrorism (AML/CFT) regime and the implementation of risk-based measures throughout the FATF Recommendations.

Montserrat's Geographical Context

Montserrat, is a British Overseas Territory, located in the Lesser Antilles chain. Positioned around 25 miles away from Antigua in the Eastern Caribbean, while also residing approximately 1,200 miles southeast of Miami, Florida. Spanning an area of 102 square kilometres, or roughly 39.4 square miles, this captivating landmass offers a compact yet diverse landscape for exploration and appreciation.

Montserrat is internally self-governing. The British monarch, as the Head of State, is represented by The Governor. The Montserrat Constitution Order 2010 establishes the framework for the arms of Government. The Executive authority in Montserrat resides upon His Majesty, and it is further supported by the presence of a cabinet specifically designated for Montserrat.

Montserrat experienced a series of volcanic eruptions starting in 1995 that persisted for several years. These eruptions had devastating consequences, leading to the destruction of the island's capital, Plymouth, and rendering approximately two-thirds of the southern landmass uninhabitable. While the northern region of the island remains largely unaffected, the ongoing volcanic activities have had a dampening effect on the island's open economy.

Subsequently, there has been no significant growth in the population over the past twenty years, which ranges between 4000 – 5000 people. Since the destruction of the island's capital Plymouth in 1995, its infrastructure, and ensuing displacement of its residents, the population over the last several years has settled at approximately 4,500 as of March 2023.

Materiality

Montserrat is the smallest country in terms of population (4,500). The jurisdiction is not considered a company formation or regional financial centre with four (4) International banks (*3 banks licensed to provide international banking business, 1 bank licensed to provide international banking & trust services*) and 1 International Trust Company which are all prohibited from carrying international banking and trust business in Montserrat. The jurisdiction has one (1) domestic bank with an International Trust License, with an asset size of EC\$417m, one (1) credit union with an asset size of EC\$77m, one building society with an asset of EC\$32m, which is registered as a DNFBP (money lender) and two (2) Money Services Businesses which contributed EC12.2m of Montserrat's GDP {EC195.11m in 2022}. Operating within the insurance sector are six (6) insurance companies; two (2) life insurance companies, and the four (4) general insurance companies which contributed 2.80% of GDP in 2022.

As at 30 June 2023 there were 25 registered DNFBPs. The table below shows the number of entities licensed/registered in the jurisdiction as at 2023.

Table 1. - Financial Institutions and DNFBPs licensed/registered as at YE 2023

Sector:	No. of Entities as at YE 2023
International Banks and International Bank and Trust Company	4
International Trust Companies	1
Domestic Bank (with International Trust Licence)	1
Credit Union	1
Building Society ¹	1
Money Services Business	3
Insurance Companies (active)	6
DNFBPs	
Real Estate Agents	7
Accountants	5
Legal Professionals	6
High Value Dealers	3
Money Lenders	3
Company Manager	1
Virtual Assets	0

¹ Registered as a DNFBP under the Proceeds of Crime Act. The legislative framework is not yet in place to supervise the Building Society as an FI.

CHAPTER 2: Montserrat's AML/CTF Legislative Framework

Core Legislation

Proceed of Crime Act, Chapter 4.04 (POCA) - The POCA was enacted “to repeal and replace the *Proceeds of Crime Act (Cap.4.04)*, the *Drug Trafficking Offences Act (Cap. 4.08)*, and sections of the *Criminal Justice (International Co-operation) Act (Cap.04.06)* with the intent of consolidating and updating the law relating to confiscation orders in relation to persons who benefit from criminal conduct, restraint orders to prohibit dealing with property, money laundering offences, court orders to assist in investigations relating to money laundering or a person's benefit from criminal conduct and cooperation with overseas authorities, to introduce new provisions allowing for the forfeiture of property which is, or represents, property obtained through unlawful conduct, to establish a framework for the prevention and detection of money laundering and terrorist financing and for incidental and connected purposes.”

The AML/CFT Regulations was enacted to give effect to obligations relating to the prevention and detection of money laundering and terrorist financing as stipulated by the POCA. The applicability of *the Code* is specific to ‘service providers’ within the meaning of the regulations and directors and boards of service providers.

The Code addresses risk assessment, enhanced due diligence measures, and prescribes the situations under which a service provider is expected to apply such measures. These situations include private banking; a legal entity that is a personal asset holding vehicle; a company that has nominee shareholders or shares in bearer form, and more. It also addresses compliance as it relates to suspicious transaction reporting. Furthermore, the Code now requires service providers to establish and maintain reporting procedures, whether or not there is a tax-related matter.

CHAPTER 3: Montserrat's Supervisory Framework

Pursuant to POCA, the FSC is the designated Supervisory Authority for Financial Institutions (FIs) and Designated Non-Financial Business and Professions (DNFBP) in Montserrat and is responsible for licensing and supervising with regards to both prudential matters and for AML/CFT purposes and setting out the AML/CFT control obligations for the sectors it supervises.

Pursuant to the Banking Act 2015, the Eastern Caribbean Central Bank (ECCB) is the prudential supervisor for licensed financial institutions (LFIs) within the eight (8) territories in the Eastern Caribbean Currency Union (ECCU), which includes Montserrat.

The FSC's supervisory framework provides a comprehensive risk-based approach to AML/CFT supervision across those sectors and entities it regulates. The FSC used the FATF Recommendations and guidance as the basis for developing this risk-based supervisory framework and is committed to continuous engagement with FATF direction, in order to maintain a credible deterrent to ML/TF within its scope of responsibilities.

The FSC's AML/CFT supervisory framework comprises the following components:

1. Assessment of ML/TF risks and controls – to inform planning
2. Licensing and authorisations – to effect market entry controls
3. Regulation and information – to guide and inform regulation and regulated FIs
4. Offsite and onsite supervision – to assess the quality of controls for regulated FIs
5. Enforcement – to proportionately address breaches of requirements
6. Monitoring and reporting – to ensure ongoing effectiveness of supervisory actions on compliance

Assessment of Risk and Control

The FSC conducts, or provides input to, ML/TF risk and control assessments at the national level. This ensures that the FSC, and other relevant competent authorities in Montserrat, have a consistent, current and holistic view of ML/TF risks.

The FSC develops its understanding of the ML/TF risks facing sectors under its supervision, by its recent conduct of a risk assessment at both sector and entity levels, using primarily questionnaires, inter alia. The risk assessment was structured as follows: understanding the inherent risk within each regulated entity in a sector; assessing the effectiveness of the ML/TF controls in place, estimating the level of residual risk in that entity and aggregating entity results to reflect the sectoral risk profile. This risk assessment is used to inform the Risk-Based Approach (RBA) to AML/CFT supervision across all stages of the AML/CFT supervisory lifecycle. As the process is being developed it is expected that the FSC's understanding of residual risk will be continually deepened and refined. The results of these risk assessments will inform the annual calendar of supervisory activities and requirements, including the development of the FSC's supervision strategies, priorities, and resourcing.

Licensing and Authorisations

The FSC is the licensing authority for all entities in Montserrat excluding the Domestic Bank which are licensed by the ECCB. The licensing processes for each entity are set out in the various legislative enactments administered by the FSC.

The ECCB is the licensing authority for Domestic Bank in Montserrat. The licensing, registration and supervisory processes adopted for the entities set out and described in Part II and III of the Montserrat Banking Act 2015, ensure that criminals and their associates do not have a controlling interest in LFIs.

Off-site and On-site Supervision

The results of the NRA and the FSC's sectoral risk assessments will provide the main input for sectoral risk profiling and supervision planning. This will enable the FSC to conduct sectoral analysis of risk that can be used to prioritise higher-risk sectors for enhanced supervision. Within each sector, the results of the FSC's entity-level risk assessment will be used to identify entities with higher-risk profiles for enhanced supervision.

Enforcement

The FSC will take action in accordance with the principles set out in its Enforcement Manual, which include exercising powers in a fair, consistent and proportionate manner. Enforcement actions are specifically intended to address and alleviate failures of compliance or breaches of regulations, and to the FSC's powers to impose dissuasive outcomes. Where the nature of the breach is of sufficient seriousness, enforcement measures or as is more typical the case a combination of remediation and enforcement measures may be required. During the period under review the FSC has not levied any penalties for non-compliance.

Supervisory Risk Matrix

Inherent Risk Factors	Ratings	
Size	Medium-Low	
Risk Appetite	Medium-Low	
High risk clients	Medium-High	
High risk products/services (in terms of nature and complexity)	Medium	
International operations and transactions.	Low	
High risk geographic locations of operation (domestic or international).	Medium	
Reliance on third parties, agents, and remote processes (delivery channels)	Medium-High	
<i>(add variables as necessary)</i>		
Risk Mitigation Factors		
Management's commitment to AML/CFT	Medium-Low	
Understanding of ML/TF risks	Medium	
Independence and Effectiveness of Compliance Function	Medium-Low	
Adequacy of the AML//CFT Policy and Procedures	Do not exist	
Effectiveness of CDD	Low	
Effectiveness of Monitoring (including MIS)	Medium-Low	
Effectiveness of STR Analysis and Reporting	Medium-High	
Effectiveness of Report Keeping	Medium-High	
Effectiveness of Internal Audit	Medium	
Effectiveness of Training Activities	Medium-Low	
<i>(add variables as necessary)</i>		
Corporate Governance	Medium	
Clarity of the Ownership	Medium	

Risk Assessment Rationale and Ratings

The FSC devised a list of inherent risk indicators for each sector to obtain data to assess the inherent risks of ML and TF in each sector, that is, the risks before the application of any controls, mitigants or oversight.

Each sector was rated on a scale of Low, Medium Low, Medium, Medium High, and High against the 5 inherent risk areas recommended in the FATF 40 Recommendations, namely:

- Nature, size and complexity of business
- Transactions, Products and Services
- Delivery Channels
- Customer types
- Geographic risks

Categories for assessing inherent risks presented by regulated entities the FSC will consider:

- **Entity type risk:** the industry in which it operates, the entity's materiality in the sector it operates and/or its market share, complexity of its operations and its business structure or model and strategy (including planned expansions into new business segments or regions, merges and acquisitions), its shareholding/beneficial ownership information which may elevate ML/TF risks, key financial indicators (e.g., asset and deposit growth, liquidity and cross-border flows).
- **Transactional risk:** types of transactions, financial flows, information and analysis received from the FIU of the transactional reporting from the entity may provide additional insights and independently verified information.
- **Products and services risk:** types and features of the products and services (e.g., anonymity, volume and speed of transactions, duration of the contracts, etc.). The revenues generated from these also play an important role in understanding the entity's risk profile.
- **Delivery channel risk:** the features of delivery channels used which may include: the ability to reliably identify/verify customers through remote or digital onboarding, products or services delivered exclusively by post, telephone, internet etc., or the use of introducers or intermediaries (and the nature of their relationship with the entity).
- **Customer risk:** additional factors such as demographics and specialized product/service offering for select client groups, including on the basis of whether the customers are natural or legal persons or persons representing legal arrangements, types of businesses serviced, whether customers are domestic or foreign and whether there are specific categories of customers involved (e.g., Politically Exposed Persons).
- **Geographic risk:** geographic footprint of the entity's operations both domestic and international (including where funds are received from/sent to and where clients are based and residency of beneficial owners), markets served, etc.; robustness of the foreign AML/CFT legal framework under which it operates, contextual factors (e.g., levels of corruption, crime or terrorism) and how that might influence the entity's approach particularly in relation to online service providers or financial or other groups.

The table below summarizes the ratings assigned on each risk factor in each sector assessed. The rationale for the risk ratings assigned follows. These assessments inform FSC's risk-based approach to AML/CFT supervision with greater resources applied to the sectors and entities that pose the largest risk. AML/CTF sectoral risk will be mitigated by entities fully adhering to regulation and FSC's close supervision and enforcement of compliance.

Domestic Financial Institutions:

1. Domestic Banks

Table 2 - Survey Overview

Number of entities in the sector	1
Total Assets	EC\$417 million
Number of Customers	7,000
PEP customers	539
Personal Accounts	8,900
Dollar Value of Personal Accounts	EC\$196 million
Commercial Accounts	860
Dollar Value of Commercial Accounts	EC\$160 million
Customer nationalities	Anguilla Antigua and Barbuda Barbados Bahamas British Virgin Islands Canada Curacao Dominica FRANCE Guyana St. Croix St. Eustatius St Kitts and Nevis Saint Lucia Sint Maarten St. Thomas St Vincent and the Grenadines Sweden Switzerland Turks and Caicos Tortola Trinidad and Tobago United Kingdom United States of America Germany

Overview of Sector – Domestic Bank

The Domestic Banking Sector is comprised of one (1) Bank with an International Trust licence, which took over the operations of Royal Bank of Canada in April 2021.

The Domestic Bank (the “Bank”) is a public limited liability company, incorporated under Chapter 308 of the Companies Act as amended by the laws of the British Overseas territory of Montserrat with 60% of the shareholding owned by the Government of Montserrat. The Bank was granted a category “A” licence under Section 5 of the Banking Ordinance 1978 No. 14 of 1978 by the Ministry of Finance in the British Overseas territory of Montserrat on February 23, 1988.

The Bank is subjected to the provisions of the Banking Act 2015 of Montserrat No. 15 of 2015, which came into effect on March 1, 2016. It is also regulated by the Eastern Caribbean Central Bank (“ECCB”/“Central Bank”).

The Bank commenced operations on May 1, 1988, and provides commercial and retail banking services, including the acceptance of deposits, granting of loans and advances, credit and debit cards, foreign exchange services, online and mobile banking services.

The Domestic Bank was granted an International Trust Licence by the Financial Services Commission, under the International Bank and Trust Companies Act 11.02, to conduct international trust business.

The Bank has assets of approximately EC\$417 million as of 30 September 2023. The Domestic Bank is the most significant financial institution operating in the jurisdiction (*notably, the Bank’s assets base is twice as high as the jurisdiction’s GDP*).

The Domestic Bank largely conducts business with other local financial institutions, Designated Non-Financial Business and Professionals (DNFBPs), Non-Profit Organisations (NPOs) (who are in the initial stages of understanding and documenting their risks) and High cash intensive businesses, PEPs, Companies, and Individuals who lives and work mainly in Montserrat. Approximately 45% of the Bank’s customers migrated due to the Volcanic eruption in 1995. Montserrat is not an international financial centre; therefore, it does not carry potentially high inherent risks. The Domestic Bank has a (1) branch which services all its customers. Due diligence is carried out predominately face-face-face. The Bank does not rely on a third party for an AML/CFT related function.

The recently conducted risk based onsite examination of the Bank highlighted some areas which needed improvement, such as the Bank’s corporate governance framework, Customer Due Diligence (CDD), ongoing monitoring and wire transfers procedures and application. The Bank has not conducted an institutional risk assessment as required in Section 5 of the AML/CFT Regulations and Part 4 of the AML/CFT Code. The Bank was given timelines not exceeding one year to remedy the deficiencies highlighted in the report.

At commencement date of the revised Proceeds of Crime (amendment) Act, 2023, the ECCB will be designated as the AML/CFT/CPF Regulator for the Domestic Banking sector in Montserrat.

Table 3 - Domestic Bank - Inherent Risk Summary

Risk factor	State of the Sector
Nature and size of the sector	<p>Domestic Business</p> <ul style="list-style-type: none"> ▪ High volumes of transactions ▪ The Bank has one main office, one branch. ▪ The banking sector is not complex, and business is largely conducted with other local financial institutions, Designated Non-Financial Business and Professionals (DNFBPs), Non-Profit Organisations (NPOs) and High cash intensive businesses. ▪ Montserrat is not an international financial centre; therefore, it does not carry potentially high inherent risks.
Types of Customers	<ul style="list-style-type: none"> ▪ Stable well-known customer Base ▪ Simple customer type (mainly individuals) ▪ Countries of residency of personal clients are low risk (UK – 5%, USA – 5%, Canada – 1%, Montserrat – 70%, Guyana - 5%, and Antigua -1%) ▪ Countries of nationality of personal clients are low risk (UK – 7%, USA – 6%, Canada – 3%, Montserrat – 74% and Guyana – 10%) ▪ Countries of residency and nationality of the beneficial owners of non-personal clients (UK – 5%, Canada -5%, Montserrat – 70% and Guyana – 5%.
Transactions, products, and services	<ul style="list-style-type: none"> ▪ Low complexity products (Saving accounts, Personal chequing accounts, Corporate chequing accounts, Fixed deposit accounts and safety deposit boxes) ▪ High risk products – wire transfers ▪ Provides services to high cash intensive customers. ▪ Transactions coming from or going to low-risk jurisdictions. ▪ Face-to-face onboarding ▪ Direct customer interaction ▪ Customer Due Diligence carried out internally. ▪ No use of intermediaries and introducers. ▪ Transactions carried out in and/or with low-risk countries.
Delivery channels	<ul style="list-style-type: none"> ▪ Face-to-face onboarding ▪ Direct customer interaction ▪ Customer Due Diligence carried out internally. ▪ Transacts with low-risk countries in the world.
Rating assigned to the sector	<ul style="list-style-type: none"> ▪ Medium

2. Credit Union

Table 4 - Survey Overview

Number of entities in the sector	1
Total Assets	EC\$77 million
Number of Customers	4339
PEP customers	39
Personal Accounts	4259
Dollar Value of Personal Accounts	EC\$68 million (figure submitted for both personal and commercial)
Commercial Accounts	166
Customer nationalities	Montserrat, Guyana, Jamaica, Dominica Republic, Dominica, St. Lucia, Antigua, Haiti, Cuba, Grenada, St. Kitts & Nevis, Anguilla, St. Vincent, Trinidad, Barbados, Canada, United States of America (USA), United Kingdom (UK), Spain.
Risk Rating Assigned	Medium- Low

Overview of sector – Credit Union:

The Credit Union is a small open-bound Co-operative Credit Union operating in Montserrat which is in the Eastern Caribbean.

The Credit Union's AML/CFT Governance Structure includes the Board of Directors, Supervisory & Compliance Committee, the General Manager, and the Compliance Officer.

As of June 30, 2023, the Credit Union's Management Accounts reflected total assets of \$77.5M (which represents 39% of GDP), Loans of \$52.4m, Investments of \$16.2m and deposits of \$75.4m. The Credit Union active members stood at approximately 4,400. The SPCCU is the second significant financial institution operating in Montserrat.

The institution offers a wide array of financial services including savings and investment products, mortgage and consumer personal loans, insurance products namely funeral expenses policy. The Credit Union also offers transactional based services to include deposits and withdrawals made by cash, check, wire transfers and MoneyGram. The Credit Union also operates fintech financial solutions such as DCash and Online/ Mobile Banking.

The Credit Union has one (1) branch that services all its members with the majority of its membership (88%) being residents of Montserrat i.e., nationals of Montserrat and Caricom Nationals. The remaining 12% of its membership are Montserratian Diaspora that reside in the United Kingdom, United States, Canada and various OECS and wider Caricom countries. Politically Exposed Persons (PEP) customers are 3% of the Credit Union total membership of 4,400.

The Credit Union does not utilize any introducers as it relates to garnering business, however in terms of intermediaries, the Credit Union has a direct relationship with the Domestic Bank and one of the Money Services Businesses (MSB).

The Credit Union is a downstream financial institution, meaning that most, if not all, its payment and settlement transactions are conducted via another major financial institution operating on Montserrat. This is known as nesting in AML/CFT terminology.

The Credit Union's main intermediary is the sole Domestic Bank in Montserrat. Cheque issuing and depositing, outgoing and incoming wire transfers and outgoing and incoming exchange fund transfers are conducted via and drawn on the Domestic Bank. The Credit Union also purchases cash from the Domestic Bank and maintains significant cash balances at the Bank to facilitate transactions on its behalf and its members.

In terms of the MSB, the Credit Union only utilizes the same in respect of the sending and receiving of small financial transactions from its members.

The FSC recently concluded the AML/CFT/CPF risk based onsite examination of the Credit Union. The report is being developed and the findings will be used to review the institution's risk profile.

Table 5 – Credit Union Inherent Risk Summary

Risk factor	State of the Sector
Nature and size of the sector	<ul style="list-style-type: none"> ▪ Member owned institution. ▪ Predominately Domestic Business
Types of Customers	<ul style="list-style-type: none"> ▪ Predominantly domestic member base ▪ Stable well-known member base ▪ Personal clients: Occupation/primary source of wealth – Mainly Government and Public Servant i.e., 70% of personal client base ▪ Simple member type (mainly individuals) ▪ Countries of residency of personal members are low risk (UK – 9%, USA – 3%, Montserrat – 87%, Caricom/OECS – 0.4%, Others 0.3%) ▪ Countries of nationality of personal members are low risk Montserrat/USA – 3%, Montserrat/UK – 9%, Montserrat – 87% ▪ Countries of residency and nationality of the beneficial owners of non-personal clients Montserrat – 100%.
Transactions, products, and services	<ul style="list-style-type: none"> ▪ mortgage and consumer personal loans, ▪ insurance products, namely funeral expenses policy. ▪ transactional based services to include deposits and withdrawals made by cash, check, wire transfers and MoneyGram.
Delivery channels	<ul style="list-style-type: none"> ▪ Face-to-face onboarding ▪ Direct customer interaction ▪ Customer Due Diligence carried out internally. ▪ Transacts with low-risk countries in the world.
Rating assigned to the sector	<ul style="list-style-type: none"> ▪ Medium - Low

Money Services Business

Table 7 - Survey Overview

Number of entities in the sector	3
Outward remittances (2022 –2023)	EC\$18m
Inward remittances (2022-2023)	EC\$20m
Main remittance countries	Eastern Caribbean Currency Union (ECCU), Caricom states, United States, United Kingdom and Canada.
Risk Rating Assigned to Sector	Medium

Overview of Sector:

The MSBs are licensed and regulated by FSC in accordance with the Money Services Business Act 2008. The MSB Act defines a money services business as (a) the business of providing as a primary business any one or more of the following:

- (i) transmission of money or monetary values in any form;
- (ii) cheque cashing;
- (iii) currency exchange;
- (iv) the issuance, sale or redemption of money orders or traveller's cheques; and
- (v) any other services the Governor may specify by Notice published in the Gazette.

Globally, MSBs typically have high inherent vulnerability to ML. However, in Montserrat the MSB business model is materially different to the global model in two respects: there are no unlicensed or unsupervised agents in operation; and customers tend to be repeat, and therefore well-known to the MSBs due to the small size of the jurisdiction and the small size of the sector. The general characteristics of the MSBs' services in Montserrat are cash-based, low value, and the ability to conduct cross-border transactions far more conveniently than through the banks.

As of June 2023, Montserrat had a total of three (3) licensed MSBs. The MSBs cater primarily to the resident domestic market.

Table 8 - Inherent Risk Summary

Risk factor	State of the Sector
Nature, scale, diversity and complexity of the sector	<ul style="list-style-type: none"> ▪ Three (3) licensed MSBs each have one (1) agent. ▪ The MSBs sector is by far smaller than the banking sector as far as the volume of transactions and complexity of operations. ▪ During the period 2022 to 2023 the data indicates that the MSBs processed about EC\$38m in remittances, comprising EC\$18m of outgoing remittances and EC\$20m of incoming remittances. ▪ MSBs play a vital role to the foreign community through the provision of a platform for the remittance of financial support to their families.
Types of Customers	<ul style="list-style-type: none"> ▪ Predominantly domestic

	<p>customer base</p> <ul style="list-style-type: none"> ▪ Stable well-known customer Base ▪ The MSBs sector has low customer risk exposure due to the profile of their customers as most customers are repeat customers who are foreign nationals working in Montserrat. ▪ Simple customer type (mainly individuals)
Transactions, products, and services	<ul style="list-style-type: none"> ▪ The MSBs transact with residents from mainly counties with nationalities who live and work in the jurisdiction. ▪ The MSBs also transact with the United Kingdom and the United States. A large number of the jurisdiction's population migrated to the United Kingdom and the United States, since the eruption of the Soufriere Hills Volcano which started in 1995. ▪ largest volume of funds come from or are sent to United Kingdom, United States, Canada, Haiti, Jamaica, Dominican Republic and Guyana, all nationalities which are well represented in the community. Countries such as Haiti and Jamaica were not positively assessed by FATF, and the United Kingdom and the United States are both high crime intensity due to the openness of their economies and size of the jurisdictions. This leaves the MSBs sector at risk of being misused for ML/TF. However, Montserrat places reliance on the positive correlation between the geographic distribution of the customers' nationalities and the remittances by country decrease this vulnerability for ML/TF to an extent, as the foreign residents of Montserrat generally maintain close family ties with their countries of origin. However, due to the cash intensive nature of the product offered by the MSBs, the sector has been determined as medium risk.
Delivery channels/ agent risk	<ul style="list-style-type: none"> ▪ All the transactions undertaken are face-to-face, but agents utilize automated software for transaction monitoring that would prevent transactions that are unusual to occur. ▪ There is no use of group entities in the delivery of services due to the nature of the MSB.
Risk Rating Assigned to Sector	<ul style="list-style-type: none"> ▪ Medium

Insurance Sector

The FATF Glossary excludes non-life insurance activities from the activities performed by ‘financial institutions’ which fall under the scope of the FATF requirements. As a result, the FATF Recommendations do not apply to non-life insurance (even if the non-life insurance activities are within the scope of financial sanctions regimes). However, as with almost all commercial activities, there may be some scenarios in which non-life insurance products might be misused for ML and TF purposes. As a result, there is still a need to guard against facilitating individuals who may wish to use the insurance companies as a conduit. Primarily the risk to Companies could be multifaceted where the Companies in the first two phases of the money laundering process. Placement – illicit funds may be used in the payment of premiums for insurable assets. Layering – illicit funds used to purchase assets which are insured are then destroyed which would enable the client to make a claim and received a legitimate cheque or wire transfer.

An example where non-life insurance products might be misused for ML and TF is the utilization of illicit funds for the payment of premiums, or a significant overpayment of premiums followed by a refund request for the full amount overpaid.

Although the FATF glossary excludes non-life activities, the non-life Companies licensed in Montserrat, as part of their annual review process, reviews their Customer Information Form to ensure that it remains relevant and effective considering any new developing trends. In addition, a risk assessment of each new client is at the time of on-boarding. An online adverse media search is also conducted where the client is screened against the various international sanction lists as well as articles and news reports. On an annual basis when the customer’s policy is up for renewal the customer service staff is required to update as necessary any changing information regarding the client.

In addition, due to the size of Agency staff and portfolio, the resources are supported by Head Office Operations and has the overall responsibility by approving any changes within the programme. The Companies have procedures in place to identify and assess AML/CFT risks associated with customers whom it has identified as high-risk.

Based on results from the sectoral risk survey, all Insurers reported to have adopted a Risk Based Approach to identify, measure, and mitigate AML/CFT risks faced and have categorized the AML/CFT risk faced considering the nature, size and complexity of their business and type of AML/CFT risk it may reasonably face as part of their assessments.

Overview of the Sector

As of 30 June 2023, there were six (6) active companies, four (4) conducting general insurance business and two (2) life (long term) companies, with five (5) agents and one (1) broker. Insurance total assets totaled EC\$24.4m with long term companies reporting total assets of EC\$4.4m which is 18% of the total assets’ portfolio. Premium received reported at EC\$4.8m with 7% of the total premiums’ portfolio reported for life insurance business and 93% reported for non-life. The *insurance sector* contributes 2.80% of GDP as of 31 December 2022.

Insurance products offered in Montserrat are standard and less sophisticated in nature and are considered ‘low’ for money laundering and terrorist financing exposures.

Table 9 Inherent Risk Summary – Insurance sector

Risk factors	State of sector
Nature, scale, diversity and complexity of the sector	Domestic customer base Unsophisticated Insurance products No businesses with complex and non-transparent ownership structures
Geographical risk	Largely dealing with domestic clients

Types of Customers	<p>Largely a domestic customer base</p> <p>Has not conducted financial transactions with individuals or entities based in any of the countries that have not adequately implemented the Financial Action Task Force (FATF) 40 Recommendations against whom negative public statements have been issued.</p> <p>No clients with foreign business or personal interests</p> <p>No clients with criminal records, or past administrative and/or supervisory actions against them</p> <p>No clients with business links to known high-risk jurisdictions.</p>
Transactions, products, and services	<p>Family Indemnity Plan</p> <p>single product marketed/sold through more than one agent.</p> <p>No product offered allows for placement/investment of money into financial Systems (investment type policies)</p> <p>For example life insurance plans with cash value and investment / savings components</p>
Delivery channels/ agent risk	Face to face business, business via licensed brokers/agents
Risk Ratings Assigned to Sector	Low

Red flags

The following are some of the warning signs or “red flags” to which insurance related licensees should be vigilant about:

- Requests for a return of premium to be remitted to persons other than the policy holder
- Change/increase of the premium payment (for instance, which appear unusual in the light of the policyholder’s income or where there are several overpayments of policy premiums)
- Claims payments paid to persons other than policyholders and beneficiaries
- Frequent change of address and/or place of residence of the policyholder
- Requests for multiple policies to be taken out for premiums slightly below any publicised limits for performing checks, such as checks on the source of wealth or cash payments.
- Unusually complex holding company or trust ownership structure for international insurers
- Dividend paid to, or loans granted to persons other than shareholders and affiliates
- Incomplete application details and lack of willingness to provide evidence to answers required
- Unexplained changes in investment pattern; investment taken against advice or not appropriate to insurer's real needs
- Sudden changes in intermediaries and service providers
- Unexplained receipt of bulk premiums from intermediary accounts

- Multiple sources of payment or cross jurisdiction funding for payment
- Transactions with obscure or unregulated organisations
- Unnecessarily complex transactions or intentions
- Premium and loss reserves are set solely by directors with no technical input from unrelated actuaries, attorneys, third-party administrators, fronting companies etc.
- Withdrawal requests shortly after execution of the policy

DNFBPS - Real Estate

Overview of the sector:

This is a profession regulated by the POCA. Montserrat has seven (7) registered real estate agents as of 30 June 2023. The real estate sector contributed 1.95 per cent to the GDP as of 31 December 2022. Most real estate transactions are mortgaged through the bank and transactions conducted with nationals from the United Kingdom, United States and Canada. Non-Nationals purchasing property in Montserrat must obtain a landholding license under the Landholding Control Act. The background of all directors and shareholders is vetted and the approval to obtain property in Montserrat is granted by the Cabinet. The FSC risk-based supervision of this sector is in its infancy stages for DNFBPs. The sector is rated Medium.

Inherent Risk Summary

Risk factors	State of sector
Nature, scale, diversity and complexity of the sector	Mainly Sole Trader operation One office in Montserrat Registered as Business Names Simple structures
Geographical risk	Customers are mainly from the United Kingdom, United States and Canada – Low Risk jurisdictions
Types of Customers	Mainly customers from the United Kingdom, United States and Canada – Low Risk jurisdictions
Transactions, products, and services	Transactions, products, and services – fall within the FATF definition of Real Estate: Buying and selling of property. Some registered agents however are only engaged in the property management.
Delivery channels/ agent risk	Non-face-to face onboarding by local agents. Transactions go through the Bank where checks are conducted.
Risk Ratings Assigned to Sector	Medium

DNFBPS - Legal Professionals

Overview of the sector:

Montserrat has six (6) registered Legal Professionals, under the Proceeds of Crime Act as at 30 June 2023 and are subjected to AML/CFT requirements. One (1) Attorney is a licenced Company Manager and is the local registered agent for all the International Banks licenced under the International Bank and Trust Companies Act. All Attorneys are required to be called to the Bar in Montserrat before they can function as a legal professional within the jurisdiction. Attorneys are aware of their Customer CDD and reporting of suspicious activities obligations as well as the international requirements of FATF.

Attorneys in Montserrat mainly receive monies for legal fees/services. They do not need a license to carry out real estate transactions i.e., selling of property according to the Real Estate Act.

They do not hold deposits on property sales. Transactions regarding the sale of real estate to non-nationals are scrutinized by the Government and all payments go through the banking system.

During initial meeting with the legal professionals, it was evident that the professionals are aware of the requirement to establish procedures to identify the risk withing their entities however, the professionals indicated that establishing AML/CFT Compliance Manuals are very costly and time-consuming and may not be feasible considering the special circumstances of Montserrat. Training to the sector was one of the areas highlighted during the meeting. Risk-based supervision for all DNFBPs is in its infancy stage and the FSC will continue to work with the sector to ensure that they understand their obligations.

Inherent Risk Summary

Risk factors	State of sector
Nature, scale, diversity and complexity of the sector	Mainly sole trader operation Mainly one office in Montserrat
Geographical risk	Largely dealing with domestic clients
Types of Customers	Largely a domestic customer base American, Canadian, British, New Zealand, French, Caribbean, Switzerland. Approximately 50% of clients are non-face-face
Transactions, products, and services	Legal representation, conveyancing, debt and rent collection, notarial services, and solicitor services for regional law firms. Company Incorporation (simple structured companies, mainly domestic) Criminal and Civil Litigation, Probate, Land Transfers, and other land matters
Delivery channels/ agent risk	Face to face business, business via licensed brokers/agents
Risk Rating Assigned to Sector	Medium - Low

DNFBP - Accountants

Overview of the sector:

Montserrat has six (6) registered Accountants as at 30 June 2023. This is a profession regulated by the POCA. Most persons operating in the sector essentially provide private & voluntary accounting, auditing & other related services to small businesses, self-employed individuals, charitable & non-governmental organisations to now only providing voluntary services to charitable and not for profit organisations. Payroll & bookkeeping, financial statement preparation & analysis financial forecasting. Loan negotiation, preparation of business plans, preparation of tax returns and assisting in complying with financial services regulations, debt collection Preparation of official correspondence and documents. The client base consists of micro to medium-sized business clients. The activity in the sector is low.

DNFBPs - Money Lenders

Overview of the sector:

Montserrat has three (3) registered Money Lenders: One (1) building society that provides services to members such as mortgages, and savings accounts, one (1) National Development Foundation that provides loans and/or grants or by guaranteeing loans made through the normal credit sources in Montserrat to small independent business ventures, which may not otherwise qualify financing from normal credit sources, and provide related technical assistance and one (1) payday lender which does not engage in any international transactions or services. The payday lender has a domestic customer base. The lending threshold is low. Average borrowing is EC\$100 and EC\$300 at one time with a payback time/payment plan of thirty (30) days. Any lending transaction above \$500.00 involves payment by cheque which goes through the Domestic Bank system for screening. The activities in the sector are low.

DNFBPs - High Value Dealers

Overview of the sector:

Montserrat has three (3) high value dealers registered under the Proceeds of Crime Act as at 30 June 2023. These registered entities mainly provide wholesale Items, Hardware and Building Materials, Vehicle Distributorship, Shipping and Insurance Agencies, Vehicle service parts, oils, chemicals, fluids, brakes, cables, radios, sodas, water, juices, vehicle repair and sale of used vehicles to local customers. These products and services fall outside the FATF definition of High Value Dealers. The activity in the sector is therefore considered low.

Offshore Sector:

- **Overview of the sector (International Banks and Trust Companies)**

The international banks in Montserrat are licensed under the International Banking and Trust Companies Act, Chapter 11.04. Presently, Montserrat has four (4) International Banks and Trust Companies registered under the International Bank and Trust Companies Act, Chapter 11.02, with 3 Banks providing International Banking business and 1 bank providing International Banking and Trust Company business. The International banks and Trust Companies all operate within the Republic of Panama and their parent companies are supervised by the Superintendent of Banks of Panama. The International Banks and Trust Companies are also incorporated under the Companies Act, 11.12 and the laws of Panama.

The Bank's main activities consists of providing financial intermediation services and rendering all types of banking services, commercial and consumer banking to residents outside of Montserrat. Section 8 (1) (b) of the International Banking and Trust Companies Act states that "A licensee that is not a domestic bank may not without the written approval of the Commission, carry on any international banking business other than that for which the licence has been issued". The Banks do not pose a transactional risk to the jurisdiction, however since they are licensed under Montserrat laws and are subjected to the statutory requirements, the Banks pose a reputational risk to Montserrat.

As of 30 June 2023, the Banks activities reported as follows: Total Assets – US\$627m, Total Loans at US\$88m, Investments at US\$175m and Total Deposits at US\$203m.

Table 6 - Inherent Risk Summary

Risk factor	State of the Sector
Nature and size of the sector	<ul style="list-style-type: none"> ▪ Bank's head offices are in Panama. ▪ Operations/transactions are carried out outside of Montserrat. ▪ Banks are regulated by the Superintendent of Banks in Panama ▪ Banks are registered as external companies in Montserrat. ▪ Bank is restricted from carrying out banking business in Montserrat. ▪ Banks have local agents
Types of Customers	<ul style="list-style-type: none"> ▪ About 95% of interactions with clients are non-face to face ▪ 75% of total clients are high net worth individuals. ▪ High number of PEP customers
Transactions, products, and services	<ul style="list-style-type: none"> ▪ 75% of Products used by non-national and 25% used by national (place of operations) ▪ mainly International Transfers (Sent/Received) ▪ Credit Cards ▪ Private Banking
Delivery channels	<ul style="list-style-type: none"> ▪ 50% of respondent conducted financial transactions with individuals or entities based in any of the countries that have not adequately implemented the Financial Action Task Force (FATF) 40 Recommendations against whom negative public statements have been issued. ▪ Irregular migratory flows from extra-continental countries ▪ citizens of jurisdictions with borders of countries with a high risk of terrorism have been detected; due diligence has been carried out on our clients with no clients identified as coming from jurisdictions considered as high risk by international organizations such as: <ul style="list-style-type: none"> ○ Jurisdictions subjected to United Nations (UN) sanctions. ○ Countries listed by FATF for control failures.

	<ul style="list-style-type: none"> ○ Other high-risk countries according to analysis carried out by the entity. From the perspective of the risk ▪ international zone, however, clients are from jurisdictions that are subjected to sanctions. ▪ Panama is a transit country because of its geographic position. ▪ Panama exited the FATF Gray list in 2023.
Rating assigned to the sector	<ul style="list-style-type: none"> ▪ Medium

- **Overview of the sector (International Trust Company)**

The international Trust Company is licensed under the International Banking and Trust Companies Act, Chapter 11.04. The allocation of the total trust business undertaken by the International Trust, based on the origin of the settlers are in the Caribbean (British Virgin Islands) national of settlor. The general nature of the trust business is asset management. The Trust Company has implemented an in-house developed Risk Matrix software as a useful tool in assigning risk rating to clients during the on-boarding process. The Trust has AML/CFT policies and procedures in identifying risks. The FSC has not conducted onsite examination of the trust.

The licensed International Trust is prohibited from operating in the jurisdiction. The Trust does not pose a transactional risk to the jurisdiction, however since it is licensed under Montserrat laws and are subjected to the statutory requirements, the Banks pose a reputational risk to Montserrat.

As of 30 June 2023, the Trust reported as follows: Total Assets – US\$536k with financial assets of US\$14K and no investments.

The rating assigned to the sector is **Medium- Low**.

Virtual Assets Service Providers

The Virtual Assets Bill was passed into law in the third quarter of 2023. As at 31 December 2023, there are no registered VASPs in the jurisdiction. As such, no risk rating was assigned.

Risk Ratings

Table 7 – Entities – Sectoral Risk Ratings

Sector:	No. of Entities as at YE 2023	SRA - Ratings	Priority Area (1 high - 5 low)
International Banks and International Bank and Trust Company	4	Medium	4
International Trust Companies	1	Medium-Low	4
Domestic Bank (with International Trust Licence)	1	Medium	3
Credit Union	1	Medium-Low	3
Building Society ²	1		
Money Services Business	3	Medium	1
Insurance Companies (active)	6	Low	5
DNFBPs			
Real Estate Agents	7	Medium	1
Accountants	5	Low	
Legal Professionals	6	Medium-Low	2
High Value Dealers	3	Low	5
Money Lenders	3	Low	5
Company Manager	1	Medium	1
Virtual Assets Service Providers	0	N/A	

² Registered as a DNFBP under the Proceeds of Crime Act. The legislative framework is not yet in place to supervise the Building Society as an FI.

Findings

DNFBPs:

Most registered DNFBPs have not established AML/CFT policies and procedures to identify, understand and mitigate their risks. DNFBPs understand their obligations under the AML/CFT legislation and international standards such as FATF. The FSC has not provided training to DNFBPs recently, nor was any onsite conducted. The FSC has, however, issued AML/CFT/CPF Guidance Procedure Manuals to the Legal, Real Estate and Accounting sectors as well as FATF published guidelines. FSC must allocate its resources towards the supervision of the DNFBPs as Priority.

Findings:

FIs:

Most FIs have procedures in place to assess the AML/CFT risks posed by new or changed services and products prior to introducing them to the market and by new or developing technologies used for the provision of services and products prior to adopting them. In identifying their AML/CFT risks, the FIs consider the methods by which they deliver their service and the customer type in identifying its AML/CFT risks.

FSC's Action Plan

Examination schedule

The risk rating applied to the regulated entities determines the frequency of supervisory engagement, such as examinations, remedial action, and prudential visits. The matrix below provides the examination cycle for regulated entities based on assigned ML/TF/PF risk ratings. The FSC can determine a higher frequency of examinations based on ML/TF/PF developments at the institution or within the country.

Based on the results of the sectoral risk survey, all FIs except the Domestic Bank have adopted a Risk-based approach to identify, measure, monitor and mitigate AML/CFT risks faced and have categorized their AML/CFT risks faced. The FIs have considered the nature, size and complexity of their business and the type of AML/CFT risks they face as part of its risk assessments. All International Banks reported to have procedures in place to re-assess their AML/CFT programme if there are any changes to the risks.

The FIs have AML/CFT policies and procedures which were developed with the provisions in the AML/CFT legislation.

FSC's supervisory action plan for FI's and DNFBPs in the short term:

1. Provide outreach and training (individual and with other Competent Authorities)
2. Conduct offsite and onsite examinations.
3. Follow up for compliance
4. Take appropriate enforcement measures

ONSITE SUPERVISION

The FSC's procedures for the conduct of a risk-based AML/CFT/CPF examination are detailed in the Risk Based Prudential & AML/CFT/CPF Supervision Procedure Manual.

The manual describes the fundamental procedures used in performing an onsite examination for AML/CFT/CPF. The examination scope is guided by the ML/TF/PF risk profile and risks of the regulated entities.

The FSC will dedicate resources to areas considered to be of higher risk or where risk management processes exhibit significant weaknesses. At its discretion, the FSC will commission a full scope AML/CFT/CPF examination to include an assessment of all core AML/CFT/CPF examinations areas.

Examination schedule

The risk rating applied to the regulated entities determines the frequency of supervisory engagement, such as examinations, remedial action, and prudential visits. The matrix below provides the examination cycle for regulated entities based on assigned ML/TF/PF risk ratings. The FSC can determine a higher frequency of examinations based on ML/TF/PF developments at the institution or within the country.

Table 1. Examination Schedule

ML/TF/PF RISK RATING	DESCRIPTION	MINIMUM EXAMINATION FREQUENCY
LOW	Measures to combat money laundering, terrorist financing and proliferation financing at the regulated entity are considered strong. There is a high level of effectiveness with the applied AML/CFT/CPF Compliance Program with only minor improvements required.	ONCE EVERY 36 MONTHS
MEDIUM-LOW	Measures to combat money laundering, terrorist financing and proliferation financing at the regulated entity are considered satisfactory. There is a substantial level of effectiveness with the applied AML/CFT/CPF Compliance Program with only moderate improvements required.	ONCE EVERY 24 MONTHS
MEDIUM	There are some weaknesses in the measures to combat money laundering, terrorist financing and proliferation financing at the regulated entity. There are significant deficiencies in the AML/CFT/CPF Program which results in a moderate level of effectiveness.	ONCE EVERY 18 MONTHS
HIGH	Measures to combat money laundering, terrorist financing and proliferation financing at the regulated entity are weak which can potentially result in a significant loss to the entity. There is a low level of effectiveness with the applied AML/CFT/CPF Compliance Program with fundamental improvements required.	ONCE EVERY 12 MONTHS

Based on the results of the NRA and the SRA, the following entities will be given **priority for AML/CFT/CPF training, Offsite and Onsite Monitoring**.

Table 2. Entities – Sectoral Risk Ratings

Sector:	No. of Entities as at YE 2023	SRA - Ratings	Priority Area (1 high - 5 low)
International Banks and International Bank and Trust Company	4	Medium	4
International Trust Companies	1	Medium-Low	4
Domestic Bank (with International Trust Licence)	1	Medium	3
Credit Union	1	Medium-Low	3
Building Society ³	1		
Money Services Business	3	Medium	1
Insurance Companies (active)	6	Low	5
DNFBPs			
Real Estate Agents	7	Medium	1
Accountants	5	Low	5
Legal Professionals	6	Medium-Low	2
High Value Dealers	3	Low	5
Money Lenders	3	Low	5
Company Manager	1	Medium	1
Virtual Assets	0	N/A	

SRA Dissemination and frequency of updates

Dissemination of results

The FSC will disseminate the SRA to the regulated entities via email correspondence and engage the sector in a conference to discuss its results and the way forward. The FSC will dispatch the SRA during January 2024 and will host an SRA conference with the regulated sectors mid-February 2024 to allow for further engagement on its results, findings and next steps.

Frequency of Updates

The FSC will update the SRA annually or as maybe required based on the changing risk landscape, laws, regulations, codes, policies and procedures, international standards, updates to FATF Methodology and guidance, further engagement with the sectors to include training/outreach, off-site, onsite examinations, data calls, inter alia.