

*Government Notice No. 122 of 2018***THE FINANCIAL INTELLIGENCE AND ANTI-MONEY LAUNDERING ACT****Regulations made by the Minister under sections 17C, 17D, 17E and 35 of the Financial Intelligence and Anti-Money Laundering Act**

1. These regulations may be cited as the Financial Intelligence and Anti-Money Laundering (Amendment) Regulations 2018.
2. In these regulations –
“principal regulations” means the Financial Intelligence and Anti-Money Laundering Regulations 2018.
3. Regulation 2 of the principal regulations is amended –
 - (a) in the definition of “customer”, by adding the following new paragraph –
 - (e) an applicant for business;
 - (b) by inserting, in the appropriate alphabetical order, the following new definition –
“competent authorities” –
 - (a) means a public authority to which responsibility to combat money laundering or terrorist financing is designated; and
 - (b) includes a supervisory authority, regulatory body and an investigatory authority;
4. Regulation 6 of the principal regulations is amended, in paragraph (1) –
 - (a) in subparagraph (a), by deleting the words “an ownership interest of 20 per cent or more” and replacing them by the words “a controlling ownership interest”;

- (b) in subparagraph (b), by deleting the words “ownership interest of 20 per cent” and replacing them by the words “controlling ownership interest”;
- (c) in subparagraph (c), by deleting the word “relevant” and replacing it by the word “natural”.

5. Regulation 9 of the principal regulations is amended –

- (a) by revoking paragraph (3) and replacing it by the following paragraph –

(3) Subject to paragraph (4), a reporting person may be allowed by the relevant supervisory authority or regulatory body to complete the verification of the identity of the customer and beneficial owner after the establishment of the business relationship, provided that –

- (a) this is essential not to interrupt the normal conduct of business;
 - (b) the verification of identity occurs as soon as reasonably practicable; and
 - (c) the money laundering and terrorism financing risks are effectively managed by the reporting person.
- (b) by adding the following new paragraph –

(4) Where the reporting person is allowed to establish the business relationship before the completion of the verification of identity of the customer and beneficial owner, he shall adopt and implement risk management procedures concerning the conditions under which a customer may utilise the business relationship prior to verification.

6. Regulation 14 of the principal regulations is amended, in paragraph (3), by inserting, after the word “authority”, the words “or the other competent authority,”.
7. Regulation 15 of the principal regulations is amended –
- (a) in paragraph (2)(b), by inserting, after the word “PEP”, the words “or an international organisation PEP”;
 - (b) in paragraph (3), by deleting the words “, as may be specified by a supervisory authority or regulatory body after consultation with the National Committee”;
 - (c) by adding the following new paragraph –
 - (5) For the purpose of this regulation –
 - “close associates” –
 - (a) means an individual who is closely connected to a PEP, either socially or professionally; and
 - (b) includes any other person as may be specified by a supervisory authority or regulatory body after consultation with the National Committee;
 - “family members” –
 - (a) means an individual who is related to a PEP either directly through consanguinity, or through marriage or similar civil forms of partnership; and
 - (b) includes any other person as may be specified by a supervisory authority or regulatory body after consultation with the National Committee.

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- 8.** Regulation 18 of the principal regulations is amended, in paragraph (a)(i), by inserting, after the word “supervisory”, the words “or competent”.
- 9.** Regulation 21 of the principal regulations is amended –
- (a) in paragraph (3), by deleting the word “country” and replacing it by the words “country referred to in regulation 24”;
 - (b) in paragraph (4), by deleting the words “A reporting person may rely on a third party that is part of the same financial group, where –” and replacing them by the words “Where a reporting person relies on a third party that is part of the same financial group, the host or home supervisors may consider that the requirements of paragraphs (1), (2) and (3) are met, where –”
- 10.** Regulation 24 of the principal regulations is amended, in paragraph (1), by deleting the words “For the purpose of” and replacing them by the words “For the purposes of these regulations and”.
- 11.** These regulations shall be deemed to have come into operation on 1 October 2018.

Made by the Minister on 5 October 2018.
