

EXAMPLES OF SUSPICIOUS TRANSACTIONS

The following scenarios may give reasonable grounds for suspicion:

- A client proposes to purchase an insurance product using a cheque drawn on an account other than his or her personal account;
- A client requests an insurance product that has no discernible purpose and is reluctant to divulge the reason for the investment;
- A client who has other small policies or transactions based on a regular payment structure makes a sudden request to purchase a substantial policy with a lump payment.

Other examples of potentially suspicious transactions are included in the FTRA guidelines available from the VFIU.

FOR MORE INFORMATION CONTACT:

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VANUATU FINANCIAL INTELLIGENCE UNIT (VFIU)

Obligations of Financial Institutions under the Financial Transactions Reporting Act [Cap. 268]



This brochure describes how your business can help to reduce financial crime and money laundering in Vanuatu

OBLIGATIONS OF FINANCIAL INSTITUTIONS

FINANCIAL TRANSACTIONS REPORTING ACT [Cap. 268]

The Financial Transactions Reporting Act [Cap. 268] (FTRA) places certain obligations on “financial institutions”. The definition of financial institutions includes most businesses that handle large amounts of money or high value items. Insurance companies, brokers and agents are included in this category.

These obligations require insurance companies, brokers and agents to:

- Verify the identity of customers
- Maintain business records
- Report certain transactions
- Implement a compliance regime

For more information than is contained in this brochure, you should refer to the FTRA or obtain a copy of the FTRA guidelines from the Vanuatu Financial Intelligence Unit (VFIU).

Why is it important to comply with your obligations under the FTRA?

- You can help boost Vanuatu's reputation as a country that is a safe place for investment and economic growth;
- You can provide information that is vital to police investigations; and
- There are serious penalties for financial institutions that fail to fulfil their obligations.

HOW TO HELP

Customer Identification

You must be satisfied of the true identity of a person or company who is seeking to enter a business relationship or carry out a transaction with your business.

To do this, you should ask new customers for documentation to establish their identity.

Identification documents include:

- Drivers licences
- Passports
- Birth certificates
- Other identity documents outlined in the FTRA guidelines.

The identity of a company can be established by asking to see the company's Certificate of Incorporation and other documents listed in the FTRA guidelines.

Reporting Obligations

You must report to the VFIU any transaction of or exceeding 1 million Vatu or its foreign currency equivalent, in cash or electronic funds transfer, in the course of a single transaction.

In addition, you must report to the VFIU any transaction you suspect may be related to money laundering, the financing of terrorism or another serious offence.

Record Keeping

You must maintain records of:

- a person's identity;
- business transactions and related documentation;
- all reports made to the VFIU; and
- all enquiries relating to money laundering and the financing of terrorism by the VFIU or a law enforcement agency.

These records must be kept for a minimum period of 6 years.



Compliance Regime

You should put in place a system to assist employees to comply with the obligations under the FTRA. This regime should include:

- the appointment of a compliance officer;
- the development of written compliance policies;
- implementation and documentation of an ongoing compliance training program for employees; and
- regular review of the effectiveness of internal policies.