



**Republic of Vanuatu
State Law Office**

13 July 2021

Financial Intelligence Unit

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PRESS STATEMENT

Registration Application Declined

This press release is in reference to the articles on 'Get-rich-quick schemes' and 'Company Directed to Suspend New Customer Intake' published in Daily Post issues 6303 and 6308 respectively.

Over the span of 3 weeks, following numerous meetings with the business operating in Port Vila offering financial commitment to its members, the VFIU requested the business to have certain measures in place pursuant to the requirements under the Anti-Money Laundering and Counter-Terrorism Financing Act 13 of 2014 ('AML&CTF Act') in order to safeguard the investments of its customers and to ensure that its operations align with the said Act.

A formal Directive was issued on Friday 2nd July and remained effective until all the requested information listed in it were satisfactorily submitted to and verified by the FIU.


On Friday 9th July the FIU conducted an on-site visit to verify the information submitted against the AML&CTF obligations and an exit meeting ensued on Monday 12th July whereby the FIU informed the entity that the nature of the business they are conducting is a Ponzi scheme.


The onsite visit concluded that the entity was deficient in having the proper procedures in place in order to operate a legitimate and sustainable business. The ownership structure was not well founded, customer protection procedures were non-existent, proper business and administration practices were not observed and there were significant breaches in relevant legislations.

Therefore, the FIU has declined the Registration Application of the reporting entity pursuant to section 10(2) of the AML&CTF Act since the reporting entity has failed to meet the AML&CTF registration requirements under Section 9(5) of the AML&CTF Act.

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Upon consultation with the Reserve Bank of Vanuatu ('RBV') we have reached a consensus for RBV as the authority responsible for financial stability to take the necessary cause of action.


Floyd Ray Mera
Director FIU



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