



**Republic of Vanuatu
State Law Office**

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Financial Intelligence Unit

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PRESS STATEMENT

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VFIU ISSUES AML&CTF ENFORCEMENT MEASURES

The Vanuatu Financial Intelligence Unit (“VFIU”) has exercised its new enforcement powers as provided for under section 50A of the Anti-Money Laundering & Counter Terrorism Financing Act No. 13 of 2014 by issuing formal warnings, penalty notices and removal of persons directives to several Reporting Entities.

Director VFIU Mr. Floyd Mera said that the AML&CTF Act has strengthened the VFIU’s compliance efforts by availing a range of measures to the VFIU. Since its inception, the VFIU had faced challenges in enforcing the then Financial Transaction Reporting Act.

Since January 2020 to date, the VFIU issued warnings, notices and directives to several entities in various business sectors for the following AML&CTF breaches:

1. AML&CTF registration Process
2. AML&CTF Fit and Proper Criteria
3. AML&CTF Transaction and reporting requirements
4. AML&CTF Compliance Report.
5. AML&CTF Customer due diligences requirements

The enforcement measures are dissuasive but encourage entities to improve their compliance with the Act. It was noted that entities have accepted the enforcement measures and effectively, have implemented their respective recommended action plans.

Formal warnings are directives informing entities of breaches with allowed grace period to rectify and implement the action plan. Penalty Notices are spot fines for engaging in activities contrary to the Act and Removal Directions are directions relating to officers of the entity who are unfit and improper.

In the case of penalty notices, the entities duly paid their fines directly to the Vanuatu Government.

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Below table showing the Enforcement Action statistics from 2020-2021

| Reporting Sector | Financial Institution | Casino& Gaming | Vehicle Dealership | Money Exchange/Remitter |
|-------------------|-----------------------|----------------|--------------------|-------------------------|
| Formal Warnings | 2 | 1 | 6 | 2 |
| Penalty Notices | 26 | 1 | 2 | 0 |
| Removal Direction | 2 | 0 | 0 | 0 |

This stat demonstrated VFIU's on-going focus on AML&CTF compliance within the economy. Mr. Mera acknowledged that VFIU will continue to enforce entities' compliance with the AML&CTF Act and encourages businesses within the Gaming sector (Casino, Gaming and Interactive Gaming); Banking Sector (Domestic and Offshore Banks); Money Exchange and Remittance Sector; Company and Trust Service Providers Sector, Real Estate Sector, High Value Asset Sector (vehicle, Machinery, Yacht etc.... over VT1 million) and Lawyers/Accountants (managing properties on behalf of their clients) to verify their AML&CTF Registration with the VFIU or if are not registered, must contact the VFIU via the above contact detail. Further, all reporting entities and Professions are encouraged to continuously maintain satisfactorily compliance with the AML&CTF Act.

