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PRESS STATEMENT

AML & CTF (AMENDMENT) ACT NO. 16 OF 2017

This Press Release is intended to inform the reporting entities of the new amendments to the principle Anti-Money Laundering & Counter-Terrorism Financing (AML&CTF) Act No. 13 of 2014.

The FIU is obliged to inform you that the amendments, as were published in the Official Gazette No. 45 of 2017, dated 16th of June 2017, are being enforced as of the date of the publication.

The amendments are necessary and timely requirements in addressing the recommendations set by the Financial Action Task Force (FATF).

Due to the magnitude of amendments, listed below are the brief summaries of significant changes in the AML & CTF (Amendment) Act No. 16 of 2017:

- **Section 1: Interpretation** - Additional definitions given to several terms, amendments to existing definitions, repealing of definitions, and an additional subsection.
- **Section 2: Meaning of reporting entity** – replacement and addition of terms.
- **Section 5: Functions and powers of the Unit** – deletion of terms that are substituted, paragraphs repealed and substituted.
- **PART 2: FINANCIAL INTELLIGENCE UNIT** – insertion of new sections **8A – Supervision of reporting entities**, **8B – Delegation of supervision functions**, **8C – Use of information by supervisors**, and **8D – Unit may use AML/CTF information for certain purposes**.
- **Section 9: Register of Reporting Entities** – repealed subsection 9(2), (3), (4) and (5) and substituted with replacement subsections and additional subsections.
- Insertion of new **Section 9A – Reporting entity to notify Director of certain changes**.
- Insertion of new **Section 9B – Changes relating to key persons and source of capital of unregulated reporting entities**.

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- **Section 10: Removal of entries from the register of reporting entities** – deletion of terms, repealing of subsections with substitutions.
- **Section 12: Obligation to identify customer** – repealing and substitution of paragraph 12(1)(d), insertion of new subsection 12(2A), repealing and substitution of subsection 12(4), and addition of new subsection 12(5).
- **Section 13: Necessity of due diligence to conduct transaction** – repealing and substitution of subsection 13(3).
- **Section 15: Establishing a business relationship under false or misleading names** – repealing and substitution of subsection 15(4).
- **Section 17: Obligation to conduct regular customer and transaction due diligence** – repealing and substitution of subsection 17(3).
- **Section 18: Obligation to intermediaries or third parties introducers** – repealing and substitution of paragraphs 18(1)(b) and (c), and insertion of new subsection 18(2A).
- **Section 19: Obligation to keep records** – insertion of new subsection 19(7) and repealing and substitution of subsection 19(9).
- **Section 22: Obligation to report transaction conducted by prescribed entities** – repealing and substitution of Section 22 heading (as underlined) and substituted with “**money laundering entities**”, deletion and substitution of subsection 22(1), and deletion of term in same subsection.
- **Section 23: Obligation to report transaction involving terrorist property and proliferation financing** – deletion of “and proliferation financing” (as underlined), deletion of term in subsection 23(1), repealing of subsection 23(2A), and deletion and substitution in paragraph 23(3)(b).
- **Section 27: Obligation to report large cash transaction** – repealing and substitution of subsection 27(1).
- **Section 28: Obligation to report international currency transfers** – deletion and substitution of terms in paragraphs 28(1)(a),(b) and (c).
- **Section 29: Avoidance of section 27 or 28** – repealing and substitution of subsections 29(1) and (2).
- **Section 31: Obligation to submit AML and CTF Compliance Report** – repealing and substitution of subsection 31(3).
- Insertion of new **Sections 32A (Disclosure of information), 32B (False or misleading information) and 32C (Legal Professional Privilege)**.
- **Section 33: AML and CTF Procedure Manual** – insertion of new subsections 33(1A), 33(1B), and 33(2A), insertion of new paragraphs 33(2)(ea) and (eb), and repealing and substitution of 33(4).
- **Section 33A: Group-wide AML and CTF Program** – insertion of new subsections 33A(2A) and (2B), repealing and substitution of subsection 33A(3) and insertion of additional reference in 33A(6).
- **Section 34: Appointment of AML and CTF Compliance Officer** – insertion of new subsections 34(1A) and (1B), and deletion and substitution of term in subsection 34(2).
- **Section 35: Money laundering and terrorism financing risk assessments** - repealing and substitution of subsection 35(3).
- Repealing and substitution of **PART 8 Heading with “DUE DILIGENCE FOR CORRESPONDENT BANKING”**.
- **Section 36: Cross Border Correspondent Banking** – insertion of additional terms in paragraph 36(2)(c), and repealing and substitution of subsection 36(4).

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- **Section 37: Currency Transfers** – Section has been repealed.
- Insertion of new **PART 8A: DUE DILIGENCE FOR ELECTRONIC CURRENCY TRANSFERS** containing sections 37, 37A, 37B, 37C, 37D, 37E, 37F and 37G.
- Repealing and substitution of **PART 9** Heading with “**DISCLOSURE OF INFORMATION**”, deletion and substitution of term in PART 9, repealing and substitution of sections 38, 39 and 40 and new section 40AA.
- **Section 41: Secrecy Provision** – deletion and substitution of terms, and repealing and substitution of subsection 41(4).
- **Section 42: Immunity** – section has been repealed.
- **Section 43: Overriding of secrecy** – subsection 43(3) has been repealed.
- Insertion of new **Sections 44A (Agreements and arrangements)** and **44B (Request from foreign government agency)**.
- **Section 45: Power to collect information** – repealing of paragraphs 45(1)(c) and (d), and repealing and substitution of subsection 45(4).
- Insertion of new **Sections 45A (Director may request information and documents)** and **45B (Director may require reporting entities to provide information about the beneficial owners of customers)**.
- **Section 46: Power to examine** – insertion of references in subsection 46(1), repealing of subsection 46(4), and repealing and substitution of subparagraphs 46(5)(i) and (ii).
- **Sections 47, 48 and 49** – Sections are repealed.
- **Section 50: Search warrants** – deletion and substitution of references.
- **Section 50A: Penalty Notice** – Section has been repealed.
- Insertion of new **PART 10AA – ENFORCEMENT** – contains new Sections 50A, 50B, 50C, 50D, 50E, 50F, 50G, 50H, 50I and 50J.
- Deletion and substitution of existing **PART 10A** Heading with “**PART 10A – NATIONAL COORDINATING COMMITTEE**”, and:
 - Insertion of new section **50K – National Coordinating Committee of AML and CTF**;
 - Under existing **PART 10A**, deletion and substitution of terms, with “National Committee” becoming “National Coordinating Committee”;
 - Insertion of new paragraphs in existing **PART 10A** of paragraphs 50K(2)(ga), (gb), (gc), and 50K(4)(ca), (cb), (cc), (cd), (ce) and (cf); and
 - Repealing and substitution of subsections 50K(5) and (6).
- Insertion of new **Section 52A (Protection from liability)**.
- Insertion of new **Section 54AA (Transitional provisions for unregulated reporting entities)** after Section 54A. Section 54AA contains subsections 1 – 9.

The FIU wishes to reiterate the importance of the amendments and encourages reporting entities to exercise diligence when applying the new amendments. The FIU may issue Guidance Notes on critical sections for elaborations, if need be. In the interim, please consult the FIU office if in doubt.


 Floyd Ray Mera
 Director FIU

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