



AML/CFT Regulation in the Securities Sector -The Way Forward-

*Market session- AML-CFT - The Money, the Law and You
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The Commission's AML/CFT Focus Areas for 2015

1. Amending the existing AML/CFT Guidelines issued by the TTSEC in November 2011;
2. Ensuring all aspects of the Guidelines are adhered to by Registrants and taking enforcement action where necessary;
3. Continuing on-site and off-site inspection of Registrants to ensure compliance with the SA 2012 in general and the AML/CFT requirements in particular;



AREAS OF FOCUS FOR 2015

Cont'd

4. Compliance Officer Application Approvals;
5. Compliance Programmes – *ensuring that these are in place*; and
6. Fostering the development of new business and new products whilst ensuring that adequate risk levels are maintained.



The Commission's AML/CFT Guidelines

- The current AML/CFT Guidelines (“the Guidelines”) were published in 2011.
- Purpose of the Guidelines.
- We are in the Process of updating the 2011 Guidelines to take into account recent changes in the AML-CFT Legislation (October 2014 and December 2014) and recent amendments to the Securities Act, 2012 (Sept 2014).
- We expect that the Revised Guidelines should be available to the market soon.



Changes to look forward to in the 2015 Guidelines

1. Expansion of the “risk-based approach” in the performance of a Registrant’s AML-CFT responsibilities. Including, further guidance on how to categorize risk in client accounts/relationships and products.
2. Guidance on how to carry out CDD, EDD and SDD in accordance with assigned risk weightings. *Note – a new section on Simplified Customer Due Diligence (“SDD”) has been added.*
3. Further guidance on how Registrants should ascertain and record beneficial ownership of securities.



Changes to the Guidelines Cont'd.

4. Risk management and mitigation with respect to new products.
5. New requirements relating to PEPs.
6. Guidance on the format of records which would now allow for scanned and microfilm records in addition to electronic and written/print records.



Compliance Officer and Compliance Programs

- **Compliance Officer Approvals** – These are ongoing.
- **Compliance Programme Approvals** - The October 2014 amendment to section 55 of the POCA places the burden for approving compliance programmes on the Senior Management of a Registrant and not on the TTSEC or FIU.
- **NOTE - Compliance Programmes are still required.**



TTSEC's Compliance and Inspection Programme

- Prior to the enactment of the SA 2012 the TTSEC was limited in its ability to carry out on-site inspections other than “inspections for cause”.
- Power to conduct compliance reviews and issue deficiency letters or compliance directions was introduced by the SA 2012.
- On-site inspections and off-site monitoring carried out by the newly formed division of Compliance & Inspections (“C&I”).
- C&I monitors Registrants’ compliance with the SA 2012 and all TTSEC Guidelines (including those relating to AML-CFT).



CONCLUSION

In summary, the TTSEC is committed to its role as Supervisory Authority for AML-CFT in the Securities Sector and as such intends to:

1. Fully participate in the 4th Round Mutual Evaluation which begins next week.
2. Revise and update the AML-CFT Guidelines.
3. Take enforcement action to ensure compliance with these Guidelines as necessary.



CONCLUSION

4. Carry out inspections of Registrants.
5. Gather information as required to fulfill our reporting requirements for CFATF.
6. Provide guidance, information and updates as they become available.



THE TTSEC IS HERE TO ASSIST

We encourage you to communicate with us if you require assistance.

Our AML Working Group will respond to queries at
aml@ttsec.org.tt

Thank you for your attention!