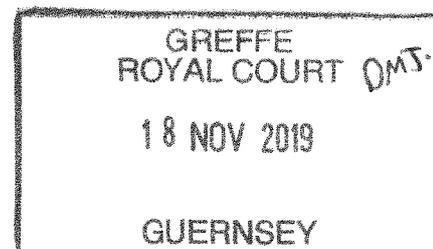


THE HANDBOOK ON COUNTERING FINANCIAL CRIME AND TERRORIST FINANCING

(AMENDMENT) RULES,

2019

No. 112



Made: 1 November 2019

Coming into Operation: 1 November 2019

The Guernsey Financial Services Commission (“the Commission”), in exercise of the powers conferred on it by section 49AA of *The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999*¹, section 15 of *The Disclosure (Bailiwick of Guernsey) Law, 2007*², section 11 of the *Transfer of Funds (Guernsey) Ordinance, 2017*³, section 11 of the *Transfer of Funds (Sark) Ordinance, 2017*⁴, and section 11 of the *Transfer of Funds (Alderney) Ordinance, 2017*⁵ makes the following Rules.

Citation and Commencement

1. These Rules may be cited as The Handbook on Countering Financial Crime and Terrorist Financing (Amendment) Rules, 2019.
2. These Rules shall come into force on 1 November 2020.
3. The amendments made by the Annexes shall have prospective effect from 1 November 2020.

¹ No. VIII of 1999 (Ordres en Conseil Vol. XXXIX, pa. 137), as amended by The Criminal Justice (Proceeds of Crime)(Bailiwick of Guernsey)(Amendment) Ordinance, 2018, section 1(8).

² No. XVI of 2007, as amended by The Disclosure (Bailiwick of Guernsey)(Amendment) Ordinance, 2018, sections 5(a), (b) and (c).

³ No. XXVII of 2017.

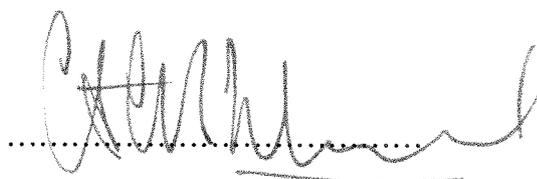
⁴ No. X of 2017.

⁵ No. 3 of 2017.

Amendments

- A. The Handbook on Countering Financial Crime and Terrorist Financing is amended in accordance with the Annex.

Dated this 1st day of November, 2019

A handwritten signature in black ink, appearing to read 'C. A. Schrauwers', is written over a horizontal dotted line. The signature is fluid and cursive.

C. A. SCHRAUWERS

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

Annex

Amendments to The Handbook on Countering Financial Crime and Terrorist Financing, 2019⁶

In this Annex underlining indicates new text and striking through indicates deleted text.

Chapter 17 – Transitional Provisions

...

17.2 Business Risk Assessments

...

7. In order to meet the requirements of Paragraph 3 of *Schedule 3* and Chapter 3 of this *Handbook*, the firm must review its existing *business risk assessment* to ensure that it contains suitable, sufficient and separate assessments of the *ML* and *FT risks* to the firm, ~~and takes account of the conclusions of the *Bailiwick's NRA*.~~

8. For the purposes of Paragraph 17.6 above:

(a) the firm must have reviewed its *business risk assessment* and have had the revised *ML* and *FT* assessments approved by the *board* of the firm no later than 31 May 2020; and ~~four months from the effective date of the *Amendment Ordinance*, or the date of the publication of the *Bailiwick's NRA*, whichever is the later.~~

(b) the conclusions of the *Bailiwick's NRA* must be taken into account as part of the next review of the *business risk assessment* as required by Paragraph 3(1)(b) of *Schedule 3*.

...

11. For the purposes of Paragraph 17.10 above:

(a) the firm must have reviewed and revised its policies, procedures and controls, and these must have been approved by the board, by no later

⁶ No. 76 of 2019.

than 31 May 2020; and three months from the deadline for the approval of the revised business risk assessments as set out in Commission Rule 17.8. above.

- (b) the conclusions of the Bailiwick's NRA must be taken into account as part of the next review of its policies, procedures and controls as required by Paragraph 3(6) of Schedule 3.

Explanatory Note

The Handbook on Countering Financial Crime and Terrorist Financing, 2019 (“The Handbook”) came into force on the 13th June 2019.

The Commission makes these amendments, to The Handbook, in order to allow firms to advance work on revising their business risk assessments and policies, procedures and controls to take account of the provisions of Schedule 3 and the rules and guidance in The Handbook without delay.

Under the proposed changes firms will have until the end of May 2020 to revise and obtain Board approval of their business risk assessments and to update and obtain Board approval of their policies, procedures and controls.

The Commission is of the view that it would be impractical and unreasonable to expect a firm to take account of the NRA within its assessment or revisions to its policies, procedures and controls during this period.

A firm should consider the NRA’s findings and conclusions when its business risk assessments and policies, procedures and controls next fall due for review after May 2020 in accordance with the provisions of paragraphs 3(1) and 3(6) of the Schedule.