

VIRGIN ISLANDS
ANTI-MONEY LAUNDERING AND TERRORIST FINANCING (AMENDMENT)
CODE OF PRACTICE, 2012

ARRANGEMENT OF SECTIONS

Section

1. Citation.
2. Section 28 amended.

VIRGIN ISLANDS

STATUTORY INSTRUMENT 2012 NO. 22

**Proceeds of Criminal Conduct Act, 1997
(No. 5 of 1997)**

**Anti-money Laundering and Terrorist Financing (Amendment)
Code of Practice, 2012**

[Gazetted 10th May, 2012]

The Financial Services Commission, in exercise of the powers conferred by section 27 (1) of the Proceeds of Criminal Conduct Act, 1997 (No. 5 of 1997) and after consultation with the Joint Anti-money Laundering and Terrorist Financing Advisory Committee, issues this Code of Practice.

Citation. 1. This Code of Practice may be cited as the Anti-money Laundering and Terrorist Financing (Amendment) Code of Practice, 2012.

Section 28 amended. S.I. No. 13 of 2008 2. Section 28 of the Anti-money Laundering and Terrorist Financing Code of Practice, 2008 is amended by deleting subsection (2) and replacing it with the following new subsection:

“(2) Where an entity or a professional makes a determination from its or his risk assessment that a relationship with a trust or the product or service channels in relation to the trust presents a normal or a higher level of risk, the entity or professional shall perform customer due diligence or enhanced customer due diligence, as may be warranted by the circumstances, and obtain and verify the identities of all the beneficiaries with a vested right in the trust at the time of or before distribution of any trust property or income and such other additional information as the entity or professional considers relevant.”

The Explanation provided in section 28 of the Code of Practice is amended by deleting paragraph (iv) and replacing it with the following new paragraph:

“(iv) It should be noted that in circumstances where an entity or a professional makes a determination that, having regard to its or his or her risk assessment, a relationship with a trust or any product or service channel relative to the trust presents a normal risk, relevant customer due diligence information must be obtained with respect to the trust. Where an entity or professional makes a determination that such a relationship presents a higher risk enhanced customer due diligence information must be obtained. The

nature of the identification to be made or verification to be effected is a matter of judgment for the entity or the professional. However, at the barest minimum, the entity or professional is required to obtain identification information in relation to all the beneficiaries with a vested right in the trust at the time of, or before any distribution of trust property or income. In verifying the appointment of a trustee, it is important to verify the nature of the trustee's duties. In addition, all information relating to any change of trustee of the trust must be noted and properly recorded; the methods previously identified for effecting an update on the information of applicants for business and customers may be employed with respect to trustees."

Issued by the Financial Services Commission this 24th day of April, 2012.

(Sgd.) Robert Mathavious
Managing Director/CEO
Financial Services Commission