



National Anti-Money Laundering and Countering the Financing of Terrorism Policy and Proliferation Financing Strategic Plan

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Introduction

The National Anti-Money Laundering, Countering the Financing of Terrorism and Financing the Proliferation of weapons of mass destructions Policy and Strategic Plan for Anguilla seeks to outline the directions, limitations, principles, and guidance for decision making in respect of Anguilla's Anti-Money Laundering, Countering the Financing of Terrorism, and Financing the Proliferation of weapons of mass destructions (AML/CFT/PF). Furthermore, it provides guidance on strategic actions to be undertaken by the respective competent authorities in Anguilla in addressing gaps and deficiencies that affect the jurisdiction's technical compliance and effectiveness to be achieved in respect of AML/CFT/PF.

To properly understand and address these gaps and deficiencies, the jurisdiction conducted a National Risk Assessment (NRA) for the period 2014 – 2019. The NRA identified the threats, risks and vulnerabilities in respect of money laundering (ML), terrorist financing (TF) and proliferation financing (PF).

It is vital for a jurisdiction to develop and implement domestic measures and mechanisms that will prevent and mitigate the risk, threat and vulnerability associated with ML/TF/PF. FATF Recommendation 2 requires that countries should establish a national AML/CFT policy which is informed by the ML/TF risk identified within the NRA. As a result, Anguilla developed this National Anti-Money Laundering and Countering the Financing of Terrorism Policy and Strategic Plan. The designated authority for co-ordinating national policies relative to AML/CFT is the Anguilla's National Anti-Money Laundering Committee (ANAMLC).

This policy applies to both policymakers and agencies at the operational level. The policy will therefore enable the development and implementation of various AML/CFT mechanisms that will allow policy makers, law enforcement authorities, supervisory authorities and other relevant competent authorities to co-operate, and where appropriate, co-ordinate domestically with each other. Additionally, similar cooperation and coordination mechanisms should be developed and implemented with respect to combatting the financing of the proliferation of weapons of mass destruction.

The National Anti-Money Laundering and Countering the Financing of Terrorism Policy and Strategic Plan will be reviewed every two (2) years. Additionally, the implementation of actions arising from the strategic objectives will be the responsibility of each competent authority. Monitoring of the implementation process will be administrated through the ANAMLC. Updates on the implementation of actions will be submitted to the ANAMLC on a prescribed date for submission of results. A log of all completed action will be administered by the ANAMLC.

AML/CFT Regime in Anguilla

Anguilla has a comprehensive and robust AML/CFT regime which includes an extensive legislative and institutional framework. The core legislation utilized throughout the AML/CFT regime includes:

- Administrative Penalties Regulations
- Anguilla Police Act,
- Anti-Money Laundering and Terrorist Financing Code
- Anti-Money Laundering and Terrorist Financing Regulations
- Banking Act
- Company Management Act
- Company Management Regulations
- Criminal Code
- Criminal Justice (International Co-operation) (Anguilla) Act
- Criminal Procedure Act
- Customs Act
- Customs Regulations
- Drug (Prevention of Misuse) Act
- Evidence Act
- Externally and Non-Regulated Service Providers Regulations
- Extradition (Overseas Territories) (2016) Order
- Financial Intelligence Unit Act

- Financial Services Commission Act
- Insurance Act
- Insurance Regulations
- Lotteries Act
- Magistrates Code of Procedure Act
- Magistrates Code of Procedure Regulations
- Money Services Business Act
- Mutual Funds Act
- Mutual Funds Regulations
- Mutual Legal Assistance (USA) Act
- Non-Profit Organisations Regulations
- Proceeds of Crime (Transitional) Regulations
- Proceeds of Crime Act
- Tax Information Exchange Act
- Trusts Act
- Trusts Companies and Offshore Banking Act
- Trusts Companies and Offshore Banking Regulations

The institutions that are responsible for implementing measures within their individual competencies to combat ML/TF/PF and related crimes, in line with the international standards set out by the FATF includes:

HM Governor's Office

The Governor's Office has the responsibility for the administration of Financial Sanctions and Terrorist Financial Sanctions as well as being the designated authority for mutual legal assistance (MLA) matters under Criminal, Justice (International Co-operation)(Anguilla) Act (CJICA).

The Attorney General's Chambers

The Attorney General's Chambers (AGC) has the responsibility to prosecute predicate offences and ML/TF/PF cases. Additionally, they serve as the point of contact for CFATF. The AGC also serves as the designated authority for MLA matters under Mutual Legal Assistance (USA) Act.

Anguilla Financial Services Commission	The Anguilla Financial Services Commission (AFSC) has the responsibility to monitor compliance of all financial service providers with the Anti-Money Laundering and Terrorist Financing Regulations, Guidelines or Codes. Additionally, they evaluate the ML/TF risk management policies and procedures of regulated entities.
The Financial Intelligence Unit	The Financial Intelligence Unit (FIU) has the primary function for the receipt, analysis and dissemination of financial intelligence received through suspicious activity reports (SARs) and other forms of information. Additionally, the FIU has the responsibility to maintain intelligence and conduct investigations concerning financial crimes including Terrorism, Terrorist Financing and Proliferation Financing.
The Royal Anguilla Police Force	The Royal Anguilla Police Force (RAPF) has the responsibility for the investigation of all crimes in Anguilla.
The Custom's Department	The Customs Department has the responsibility for the detection of cross-border transshipment of currency and securities used in money laundering and the financing of terrorism and proliferation.
The Inland Revenue Department	The Internal Revenue Department (IRD) has the responsibility for all tax related matters in Anguilla.
The Ministry of Finance	The Ministry of Finance has the responsibility for matters relating to Tax Information Exchange Act (TIEA).
The Immigration Department	The Immigration Department has the responsibility to assist in identifying persons who are subject to sanctions lists. They also monitor the entry of persons into Anguilla to prevent human trafficking. They maintain an entry database and makes the information available to law enforcement agencies in

Anguilla to assist in the investigation and prosecution of ML/TF cases.

Anguilla National Anti-Money Laundering Committee

The Anguilla National Anti-Money Laundering Committee (ANAMLC) has responsibility for co-ordinating and developing an efficient and robust Anti-money Laundering, Countering Terrorist Financing and Proliferation Financing (AML/CFT and PF) regime which will protect the national and global interest while ensuring compliance and effectiveness to international standards relevant to AML/CFT and combating the proliferation of weapons.

National Risk Assessment

Anguilla's National Risk Assessment (NRA) on threats and vulnerabilities to ML, TF and PF was a self-assessment. The period of assessment covered was 2014 – 2020. As a result of the NRA process several priority areas and gaps were identified. This resulted in the ANAMLC/NRAWG making recommendations to strengthen the AML/CFT framework within Anguilla. As a result of this, the national AML/CFT policy for 2023 – 2025 was proposed and has been developed.

The tool utilized for the NRA process was developed by McDonell-Nadeau Consultants Inc. The methodology was fully consistent with the expectations of the FATF AML/CFT Standards. The Standards include a number of high-level requirements related to the risk-based approach, in particular, under recommendation 1 and Immediate Outcome (IO) 1. This includes the requirement that a country identify and assess its inherent ML/TF risk and keep the risk assessments up-to-date.

As per the NRA, the ML risk is considered to be a function of threats and vulnerabilities. The overall risk of Anguilla, in respect of ML/TF has been assessed as **MEDIUM**.

Table 1 below depicts the ML threat rating of twenty-one (21) predicate offences. Thirteen (13) offences were identified as having a medium to low ML threat rating. On the other hand, eight (8) offences were identified as having a very high to high ML

threat rating (4 – Very High and 4 – High). The overall ML risk is assessed as **MEDIUM**.

Table 1: ML Threat Rating of Predicate Offences

Very High	High	Medium	Low
Human Trafficking	Professional Money Laundering	Environmental Crimes	Counterfeiting and Piracy of products
Fraud	Gambling	Insider Trading/Market Manipulation	Kidnapping & Hostage Taking
Sexual Exploitation	Tax Crimes	Corruption & Bribery	Illicit Trafficking of Stolen or Other goods
Trafficking of Illegal Substances	Trafficking of Illegal Arms	Robbery & Theft	Piracy on the High Seas
		Smuggling	Extortion
		Forgery	Counterfeiting of Currency
			Murder (For Hire)

Table 2 below depicts the inherent ML/TF vulnerability rating for nineteen (19) sectors. Eight (8) sectors were identified as having a low to medium inherent ML/TF vulnerability rating. On the other hand, eleven (11) sectors were identified as having a high to very high inherent ML/TF vulnerability rating (6 – Very High and 5 – High). The overall inherent ML/TF vulnerability rating as it relates to the sectors has been assessed as **MEDIUM**.

Table 2: Inherent ML/TF Vulnerability Rating Results for each sector

Very High	High	Medium	Low
Trust and Corporate Service Providers	Domestic Banks	Micro-lenders	Accountants
Lawyers	General Trusts	Long-term Insurance	Securities Brokers and Agents
Notaries	Restricted Trusts	Lotteries	
Money Services Business	Dealers in Precious Stones and Metals	Mutual Funds	
Offshore Banking	High Value Dealers	Real Estate Agents	
Virtual Asset Service Providers		Credit Union	

The TF risk is assessed as **MEDIUM**.

The vulnerability and risk of Proliferation Financing has been assessed as **MEDIUM**.

The TF risks within the Non-Profit Organization (NPO) sector are assessed as **MEDIUM**.

National AML/CFT Policy

The Government of Anguilla and by extension the relevant competent authority responsible for the AML/CFT regime are fully committed to upholding the highest standards for the prevention and mitigation of AML/CFT risks, threats and vulnerabilities. As a result, the National AML/CFT policy has been developed taking into consideration the identified threats and risk levels and potential consequences. Additionally, the policy sets out recommendations based the below mentioned strategic objectives. The policy will be updated and adjusted where necessary to reflect any changes or implementation of new recommendations, policy or guidance on AML/CFT matters from the FATF or any other AML/CFT standard or policy making body.

The National AML/CFT policy provides an outline of key areas, gaps and deficiencies that will be address by the Government of Anguilla and the relevant competent

authorities. The relevant authorities have taken into consideration all relevant information which will have a significant impact on the policies including the revision of the FATF Recommendations and the FATF's Methodology for Assessing Technical Compliance with FATF Recommendations and the Effectiveness of AML/CFT Systems. Additionally, the competent authorities will apply a risk-based approach (RBA) as it relates to the allocation of resources and implementation measures to prevent or mitigate ML, TF and PF.

National AML/CFT Strategic Objectives

The National AML/CFT Policy is developed in line with the key gaps and deficiencies that were identified as a result of the National Risk Assessment process. As a result, the five (5) objectives below have been identified to mitigate the ML, TF and PF risk for Anguilla.

Objective 1	Developing a Sound Legal and Institutional Framework to Prevent and Combat ML/TF and Other Financial Crimes
Objective 2	Improving Effectiveness of predicate offences, ML/TF Investigations and Prosecution in Anguilla
Objective 3	Strengthening and improving International and Domestic Co-ordination and Co-operation
Objective 4	Strengthening Capacity-Building and Raising Awareness (amongst the FIU, Regulators, LEAs, Reporting Institutions, Prosecutors, Judiciary, etc.)
Objective 5	Strengthening the supervisory framework surrounding FIs, DNFBPs and VASPs

LIST OF ACRONYMS

AFSC	Anguilla Financial Service Commission
AG	Attorney General
AML	Anti-Money Laundering
ANAMLC	Anguilla's National Anti-Money Laundering Committee
CA	Competent Authorities
CDD	Customer Due Diligence
CFATF	Caribbean Financial Action Task Force
CFT	Countering Financing of Terrorism
CJICA	Criminal Justice (International Co-operation) (Anguilla) Act
CPF	Countering Proliferation Financing
DNFBP	Designated Non-Financial Business or Profession
FATF	Financial Actions Task Force
FIU	Financial Intelligence Unit
FSRB	FATF Styled Regional Monitoring Bodies
GoA	Government of Anguilla
KYC	Know Your Customer
IO	Immediate Outcome
LEA	Law Enforcement Authority
CJICA	Criminal Justice (International Co-operation) Anguilla Act
ML	Money Laundering
MOU	Memorandum of Understanding
MVTS	Money Value Transfer Service
NPO	Non-Profit Organization
NRA	National Risk Assessment
PF	Proliferation Financing
POCA	Proceeds of Crime Act
SARs	Suspicious Activity Reports
SOP	Standard Operating Procedures
RAPF	Royal Anguilla Police Force
RE	Reporting Entity
TF	Terrorist Financing
TFS	Terrorist Financing Sanctions
TCSP	Trust and Corporate Services Provider
UNSCRs	United Nations Security Council Resolutions