



**RECAP OF 2015 SEMINAR
&
Minimum Guidelines for the
Role & Appointment of Compliance / Reporting Officers**

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RECAP OF 2015 WORKSHOP

On March 3 and 4, 2015, the Nevis Financial Services Department held its annual Seminar and Training Workshop at the Four Seasons Resort, Nevis under the theme, “**De-risking your Institution by Improving the Culture of Compliance.**”

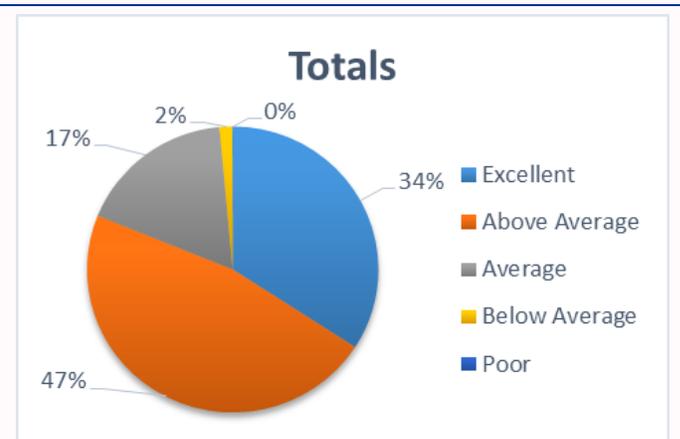
On day one, the Workshop was facilitated by Ms. Michelle Martin and Mr. Jean Morency of ComplianceAid, based in Antigua. The Workshop was awarded five (5) CAMS/CPE Credits, which are recognized by the Association of the Certified Anti-Money Laundering Specialists (“ACAMS”).

On day two, presentations were made by the following persons:

- Ms Heidi-Lynn Sutton, Regulator, Nevis Financial Services Department on the topic: “**The New Global Standard for Exchange of Information**”;
- Mrs. Jacqueline Somersall-Berry, Director, Financial Intelligence Unit (FIU) on the topic: “**All Aboard—De-risking & STR Reporting**”;
- Inspector James Sutton, Officer-in-Charge, White Collar Crime Unit, on the topic: “**Financial Investigations**”; and
- Messrs. Claudel Romney and José Antigua of BDO, LLC, on the topic: “**FATCA Reporting Requirements of Financial Institutions.**”

The Department takes this opportunity to express appreciation to all participants for their commitment in ensuring that this year’s Workshop was a huge success. It should be noted that this year the Department registered its greatest number of one hundred and thirty seven (137) attendees, an increase of twenty percent (20%) over last year.

Below is the overall ratings as evaluated by the participants of the Workshop as it relates to the content of the various presentations and the delivery of presenters:



GUIDELINES FOR ROLE & APPOINTMENT OF COMPLIANCE OFFICERS

In accordance with regulations 12 of both the Anti-Money Laundering Regulations (“AMLR”), the Anti-Terrorism (Prevention of Terrorist Financing) Regulations (“ATR”) and paragraph 28 of the Financial Services (Implementation of Industry Standards) Regulations, (“FSR”) a regulated entity is required to appoint a fit and proper individual approved by the Financial Services Regulatory Commission (“FSRC”) as its Compliance Officer (“CO”).

Depending on the size, nature and complexity of the regulated entity, the CO must also be appointed under regulations 10(6) and 12(2)(f) of both the AMLR and ATR to perform the role of the CO and Reporting Officer (“RO”), subject to the approval of the FSRC. In a small regulated entity, the CO may also perform a business function in the regulated entity. The FSRC will consider approving an individual who performs the CO function for a group of companies of which the regulated entity is a member.

The FSRC may also direct the removal of a CO/RO, in which case it is the responsibility of the regulated entity to identify another suitably qualified individual for approval and subsequent appointment as the CO/RO.

DUTIES & RESPONSIBILITIES OF THE COMPLIANCE OFFICER

The main responsibility of a CO is to put in place systems and controls (including clear lines of accountability) to ensure compliance with applicable laws and the internal policies of the regulated entity by its employees, agents and other contractors.

The CO should also ensure that compliance risk is understood and managed, and that the regulated entity's compliance systems are part of its business operations.

The CO aims to promote a culture of compliance within the regulated entity and is the first point of contact for the FSRC. He/she should have the trust and confidence of the regulated entity's Board, senior management and employees and is sufficiently independent to perform his or her duties objectively.

As stipulated in regulation 12 of both the AMLR and the ATR, a CO shall:

- be a senior officer with relevant qualifications and sufficient experience to enable him or her to respond appropriately to enquiries relating to the regulated entity and the conduct of its business;
- be responsible for establishing and maintaining such manual of compliance procedures in relation to the business of the regulated entity as the Regulator may require;
- be responsible for ensuring compliance by staff of the regulated entity with the following:
 - (i) the provisions of the AMLR and ATR and any other law relating to money laundering, the proceeds of crime or terrorist financing;
 - (ii) the provisions of any manual of compliance procedures; and
 - (iii) the internal reporting procedures established under regulation 8 of both the AMLR and the ATR;
- act as a liaison between the regulated entity and the Regulator in matters relating to compliance with the provisions of the AMLR and the ATR and any law or directive with respect to money laundering, the proceeds of crime or terrorist financing; and
- prepare and submit to the Regulator written reports on the regulated entity's compliance with the provisions of the AMLR and the ATR and any other law or directive relating to money laundering, the proceeds of crime or terrorist financing. The reports shall be prepared in such form and submitted at such time as the Regulator may determine.

QUALIFICATIONS, EDUCATION AND FIT AND PROPER REQUIREMENTS

Before granting approval of an application for a CO, the FSRC must be satisfied that the proposed CO is fit and proper. Each case will be considered on its own merits and the FSRC may have regard to current, past and prospective matters. Due regard will be given to his or her:

- Honesty, integrity and reputation;
- Competence and soundness of judgment;
- Capability and qualification;
- Record of compliance; and
- Financial soundness.

A CO should be able to demonstrate at a minimum that he or she:

- has had recent relevant work experience in a compliance-related role or in a supportive function for a minimum of at least two (2) years. Favorable consideration will be given to administrative and managerial skills, performance at work, ability to make objective and independent assessments, timely response to requests for information and other related matters.
- has a specific financial services industry, compliance, or AML related certificate, diploma or degree recognized by the FSRC as being appropriate for this purpose. Specific qualifications may include an International Compliance Association ("ICA"), International Diploma in AML or Compliance; International Risk Manager Designation; Certified AML Specialist ("CAMS"); Certified Compliance & Ethics Professional; Certified Compliance and Ethics Professional; Certified Risk and Compliance Management Professional ("CRMP"); or other certificates, diploma or degree in the field of law, finance, banking, accounting, and/or financial services. This list is not exhaustive as the FSRC reserves the right to recognize any other related qualification that it deems acceptable. In circumstances where the FSRC considers a qualification as inadequate, it may request that the regulated entity arrange for the applicant to undertake additional training within six (6) months of the appointment in order to be better prepared for the role of CO.
- has a good understanding of the laws of St. Kitts and Nevis and the written policies and guidelines that may be issued by the FSRC, especially as they relate to financial services regulation and their relevant industry of operation;
- is able to demonstrate sound judgment;
- understands the nature of the business within which he/she operates;
- has the ability to read, write and understand the English language.

It is the responsibility of the regulated entity to satisfy the FSRC that the proposed CO has the relevant qualities, experience, and skills to perform his/her duties. Compliance with the "fit and proper" standard is both an initial test applied on the application for approval and a continuing test applied to the ongoing performance of a CO.

(To be cont'd in next month's issue)

SOURCE

Nevis Financial Services Regulation & Supervision Department

