

Appendix B

Code part & paragraph changes – Quick reference table

Anti-Money Laundering and Countering the Financing of Terrorism Code 2015 Part number	Title	Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non Profit Organisations) Code 2019 ('the SNPO Code') Part number	Title	Changes?
1	Introductory	1	Introductory	No changes
2	General requirements	2	General requirements	No changes
3	Risk assessment and ongoing monitoring	3	Risk based approach	New title Ongoing monitoring paragraph moved into the CDD part. This part just includes risk assessments. Customer Risk Assessments have been split into separate requirements for Donor and Beneficiary Risk Assessments.
4	Customer due diligence	4	Customer due diligence and ongoing monitoring	Now includes ongoing monitoring paragraph. New Business Relationships have been split into requirements regarding new

				Donor and Beneficiary relationships. Areas not relevant to SNPOs have been removed.
5	Specified non-profit organisations	5	Enhanced measures	New part that includes PEP/EDD (these paras were previously in CDD part).
6	Simplified customer due diligence	6	Exemptions and simplified measures	Title of part expanded to recognise some CDD measures are simplified and others are exemptions. Simplified measures that are not relevant to SNPOs have been removed.
7	Reporting and disclosures	7	Reporting and registers	Title of part amended to reflect that the registers are in this part.
8	Compliance	8	Compliance and record keeping	Part title changed to reflect this also includes record keeping provisions.
9	Miscellaneous	9	Miscellaneous	Areas not relevant to SNPOs have been removed.
10	Offences and revocations	10	Offences	Revocations section removed as the SNPO Code does not

				revoke any existing legislation.
--	--	--	--	----------------------------------

Anti-Money Laundering and Countering the Financing of Terrorism Code 2015 Paragraph number	Title	Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019 Paragraph number	Title	Changes?
1	Title	1	Title	Amended accordingly to bring up to date.
2	Commencement	2	Commencement	Amended accordingly to bring up to date.
3	Interpretation	3	Interpretation	<u>Definitions added:</u> Acceptable applicant, Beneficiary, Beneficiary relationship, Beneficiary risk assessment, Business risk assessment, Donor, Donor relationship, Donor risk assessment, Group, National risk assessment, Officer, Source of funds, Source of wealth, Transaction, Technology risk assessment, Transaction.

				<p><u>Definitions removed:</u> Business in the regulated sector – not relevant to the SNPO Code.</p> <p>Business relationship – not relevant to the SNPO Code. Correspondent services – not relevant to the SNPO Code.</p> <p>Currency – not needed, instead replaced with definition of Convertible virtual currency.</p> <p>Designated business definition – not relevant to the SNPO Code.</p> <p>Document & Information – as covered in the Interpretation Act 2015.</p> <p>Evidence of identity – not needed.</p> <p>Exempted occasional transaction – not relevant to the SNPO Code.</p>
--	--	--	--	--

				<p>Insurer – not relevant to the SNPO Code.</p> <p>Introducer – not relevant to the SNPO Code.</p> <p>Payable through account – not relevant to the SNPO Code.</p> <p>Relevant person – not relevant to the SNPO Code.</p> <p><u>Definitions amended:</u> AML/CFT Requirements – changed to AML/CFT Legislation and now references sanctions requirements.</p> <p>Beneficial owner - now refers to “significant influence” as well as ultimate effective control.</p> <p>Competent Authority – brought up to date, Office of Fair trading removed.</p> <p>Customer – amended to reflect the SNPO sector.</p>
--	--	--	--	---

				<p>Customer due diligence – further clarity added.</p> <p>Director and Officer – updated to bring up to date.</p> <p>Eligible introducer – further clarity added.</p> <p>Employee – amended to be relevant for the SNPO Code.</p> <p>Enhanced due diligence – detail moved into actual paragraph rather than in definition.</p> <p>External regulated business - amended to reflect paragraph changes to Schedule 4 to the Proceeds of Crime Act 2008.</p> <p>FATF Recommendations – brought up-to-date</p> <p>Legal arrangement – tweaked to include those persons who act for legal arrangements.</p>
--	--	--	--	---

				<p>List B – amended to state “may” pose a higher risk.</p> <p>List C – now references FATF standards.</p> <p>PEP – for completeness includes siblings-in-law. Honorary counsel removed. Domestic and foreign PEP paragraphs moved into main body of specific paragraph for this topic (14).</p> <p>Shell bank – extended to include shell securities provider.</p> <p>SNPO – amended to show full definition.</p> <p>Trusted person – brought up to date, particularly in relation to designated businesses.</p>
4	General requirements	4	Procedures and Controls	<p>New title inserted for clarity.</p> <p>Whole paragraph tidied up to make clearer and reduce repetition.</p>

5	Specified non-profit organisations	N/A	N/A	Not required as SNPO Code is specific to the sector.
6	Business risk assessment	5	Business risk assessment	<p>New wording inserted to ensure details of any review are recorded. Paragraph 5(2)(c)</p> <p>New wording inserted to ensure references the Island's NRA. Paragraph 5(3)(b)</p>
7	Customer risk assessment	6	Donor risk assessment	<p>Previous Customer risk assessment paragraph split into Donor and Beneficiary risk assessment paragraphs to reflect the different requirements.</p> <p>New wording inserted to ensure details of any review are recorded. Paragraph 6(2)(c)</p>
		7	Beneficiary risk assessment	<p>Previous Customer risk assessment paragraph split into Donor and Beneficiary risk assessment paragraphs to reflect the different requirements.</p>

				New wording inserted to ensure details of any review are recorded. Paragraph 7(2)(c)
8	Technological developments risk assessment	8	Technology risk assessment	New title inserted for clarity. New wording inserted to ensure details of any review are recorded. Paragraph 8(2)(e)
9	Ongoing monitoring	13	Ongoing monitoring	Amended to make reference to steps to be taken in respect of both unusual and suspicious activity. Paragraph 13(2) and 13(3)
10	New business relationships	9	New donor relationships	Previous New business relationships paragraph split into New donor and beneficiary relationships paragraphs to reflect the different requirements. Updated wording in relation to verification – used FATF wording “using reliable, independent source documents, data or information”

				Paragraph 9(3)(b)
		10	New Beneficiary relationships	<p>Previous New business relationships paragraph split into New donor and beneficiary relationships paragraphs to reflect the different requirements.</p> <p>Updated wording in relation to verification – used FATF wording “using reliable, independent source documents, data or information”</p> <p>Paragraph 10(3)(b)</p>
10A	Introduced business	N/A	N/A	Not relevant to the SNPO Code.
11	Continuing business relationships	11	Continuing donor and beneficiary relationships	<p>Change of title to reflect the SNPO sector.</p> <p>Changes to terminology around verification bringing in line with FATF standards.</p> <p>Paragraph 11(3)</p>
12	Occasional transactions	N/A	N/A	Not relevant to the SNPO Code.

13	Beneficial ownership and control	12	Beneficial ownership and control	<p>Extended the provisions to also apply to Part 3 of the Code (Risk based approach) Paragraph 12(1)</p> <p>Completely new layout now covers:</p> <p>All customers 12(2) Legal arrangements 12(3) Foundations 12(4) Legal persons 12(5) All legal persons and arrangements 12(6)&12(7)</p> <p>Includes additional wording as required by FATF Recommendation 10. Paragraph 12(5)</p> <p>Where relevant also refers to “classes of beneficiary”.</p> <p>Where a payment or loan is made in relation to a legal person or arrangement the nature and purpose of the payment or loan must be understood. 12(7)</p>
14	Politically exposed persons	14	Politically exposed persons	<p>Honorary consul removed.</p> <p>Sibling in law added.</p>

				<p>Definition of PEP</p> <p>Insertion of definitions of foreign and domestic PEP into main paragraph. Paragraph 14(7)</p>
15	Enhanced customer due diligence	15	Enhanced customer due diligence	<p>Requirements of the steps to be taken moved from definition to main body. Paragraph 15(2)</p> <p>Added new step: further research into customer's background where necessary. Paragraph 15(2)(d)</p> <p>Previously stated to consider EDD when unusual or suspicious activity identified – now EDD must be undertaken in respect of unusual activity and should be undertaken in respect of suspicious activity unless it is believed it would tip off the customer. Paragraph 15(3)</p> <p>New risk factor – where relevant person has not met customer.</p>

				<p>Paragraph 15(7)(k)</p> <p>Senior manager sign off needed for a relationship / transaction with a customer in List A country or a customer subject to an AML/CFT warning.</p> <p>Paragraph 15(6)</p>
16 – 19	SNPOs	N/A	N/A	Not required as the SNPO Code is specific to the sector.
20	Acceptable applicants	16	Acceptable applicants	<p>Clarification inserted to state the customer must be acting on their own behalf.</p> <p>Paragraph 16(3)(e)(i)</p>
21	Persons in a regulated sector acting on behalf of a third party	N/A	N/A	Not relevant to the SNPO Code.
22	Generic designated business	N/A	N/A	Not relevant to the SNPO Code.
23	Eligible introducer	17	Eligible introducer	Wording consistency amendments.
24	Miscellaneous	N/A	N/A	Not relevant to the SNPO Code.
25	Money laundering reporting officer	18	Money laundering reporting officer	New requirement to retain responsibility for all

				external disclosures (including branches and subsidiaries). Paragraph 18(2)(d)
26	Reporting procedures	19	Reporting procedures	New requirement to ensure registers are populated. Paragraph 19(g)
27	Internal disclosures	20	Internal disclosures	Only refers to suspicious activity rather than mentioning both unusual and suspicious activity.
28	External disclosures	21	External disclosures	Clarity added that a disclosure does not breach any obligation of confidence owed by the MLRO or any other restriction on the disclosure. Paragraph 21(3)
29	Monitoring and testing compliance	24	Monitoring and testing compliance	New requirement to submit an annual report describing the AML/CFT environment, any internal developments any activities relating to compliance. Paragraph 24(2)

				A suitable person responsible for monitoring and testing Paragraph 24(3) and (4)
30	New staff appointments	25	New staff appointments	No changes
31	Staff training	26	Staff training	Tidied up wording. Training when any significant legislative amendments. Paragraph 26(3) Records to be maintained. Paragraph 26(4)
32	Record Keeping	27	Record Keeping	Wording consistency amendments to now explicitly refer to identification information, account files, business correspondence records and results of analysis in both (a) and (b) – previously was only in (b). Paragraph 27(a)
33	Record retention	28	Record retention	For clarification added that it applies to former SNPO. Paragraph 28(2)

34	Record format and retrieval	29	Record format and retrieval	For clarification added that it applies to former SNPO. Paragraph 29(1)
35	Registers of internal and external disclosures	22	Registers of disclosures	New title.
36	Registers of money laundering and financing of terrorism enquiries	23	Registers of money laundering and financing of terrorism enquiries	No changes.
37	Foreign branches and subsidiaries	30	Branches and subsidiaries	New title Scope change – requirements only apply where the branch, subsidiary or agent is undertaking activities equivalent to those included in Schedule 4 to the Proceeds of Crime Act 2008. Paragraph 30(1)
38	Shell banks	N/A	N/A	Not relevant to the SNPO Code.
39	Correspondent services	N/A	N/A	Not relevant to the SNPO Code.
40	Fictitious, anonymous and numbered accounts	31	Fictitious, anonymous and numbered accounts	No longer refers to IPA list of anonymous accounts.
41	Offences	42	Offences	No changes.

42	Revocations	N/A	N/A	Not relevant to the SNPO Code.
----	-------------	-----	-----	--------------------------------