

SUMMARY OF CHANGES

Regulation 2	<p><i>"customer"</i> means a natural person or a legal person or a legal arrangement for whom a transaction or account is arranged, opened or undertaken and includes –</p> <ul style="list-style-type: none"> (a) a signatory to a transaction or account; (b) any person to whom an account or rights or obligations under a transaction have been assigned or transferred; (c) any person who is authorised to conduct a transaction or control an account; (d) any person who attempts to take any action referred to above; (e) an applicant for business <p>New definition included -</p> <p><i>"competent authorities"</i></p> <ul style="list-style-type: none"> (a) means a public authority to which responsibility to combat money laundering or terrorist financing is designated; and (b) includes a supervisory authority, regulatory body and an investigatory authority;
Regulation 6	<ul style="list-style-type: none"> (1) Where the customer is a legal person, the reporting person shall identify and take reasonable measures to verify the identity of beneficial owners by obtaining information on – <ul style="list-style-type: none"> (a) the identity of all the natural persons who ultimately have an ownership interest of 20 per cent or more a controlling ownership interest in the legal person; (b) where there is doubt under subparagraph (a) as to whether the person with the ownership interest of 20 per cent controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control of the legal person through other means as may be specified by relevant regulatory body or supervisory authority; and (c) where no natural person is identified under subparagraph (a) and (b), the identity of the relevant natural person who holds the position of senior managing official.
Regulation 9	<p>(3) The supervisory authorities or regulatory bodies may issue such guidance to specify the circumstances in which verification of the customer and beneficial owner identity may be completed as soon as reasonably practicable after the establishment</p>

	<p>of the business relationship, provided that the reporting person –</p> <p>(a) effectively manages the risks of money laundering or terrorism financing; and</p> <p>(b) is satisfied that a delay in verification is essential in order not to interrupt the normal conduct of the business.</p> <p>(3) Subject to paragraph (4), a reporting person may be allowed by the relevant supervisory authority or regulatory body to complete the verification of the identity of the customer and beneficial owner after the establishment of the business relationship, provided that –</p> <p>(a) this is essential not to interrupt the normal conduct of business;</p> <p>(b) the verification of identity occurs as soon as reasonably practicable; and</p> <p>(c) the money laundering and terrorism financing risks are effectively managed by the reporting person.</p> <p>(4) Where the reporting person is allowed to establish the business relationship before the completion of the verification of identity of the customer and beneficial owner, he shall adopt and implement risk management procedures concerning the conditions under which a customer may utilise the business relationship prior to verification.</p>
<p>Regulation 14</p>	<p>(3) A reporting person shall ensure that all CDD information and transaction records are kept in such a manner that they are swiftly made available to the FIU or any relevant regulatory body or supervisory authority or the other competent authority upon request.</p>
<p>Regulation 15</p>	<p>(2) A reporting person shall, in relation to domestic PEPs or an international organisation PEP, in addition to performing the CDD measures required under these regulations –</p> <p>(a) take reasonable measures to determine whether a customer or the beneficial owner is such a person; and</p> <p>(b) in cases when there is higher risk business relationship with a domestic PEP or an international organisation PEP, adopt the measures in paragraphs (1)(b) to (d).</p> <p>(3) A reporting person shall apply the relevant requirements of paragraphs (1) and (2) to family members or close associates of all types of PEP, as may be specified by a supervisory authority or regulatory body after consultation with the National Committee.</p> <p>(5) For the purpose of this regulation –</p> <p>“close associates” –</p> <p>(a) means an individual who is closely connected to a PEP, either socially or professionally; and</p> <p>(b) includes any other person as may be specified by a supervisory authority or regulatory body after consultation with the National Committee;</p>

	<p>“family members” –</p> <p>(a) means an individual who is related to an PEP either directly through consanguinity, or through marriage or similar civil forms of partnership; and</p> <p>(b) includes any other person as may be specified by a supervisory authority or regulatory body after consultation with the National Committee.</p>
Regulation 18	<p>A MVTs provider shall –</p> <p>(a) maintain a list of all its agents or subagents which shall be provided –</p> <p>(i) to the FIU or to the relevant supervisory or competent authority upon request;</p>
Regulation 21	<p>(3) A reporting person shall not rely on a third party based in a high risk country country referred to in Regulation 24.</p> <p>(4) A reporting person may rely on a third party that is part of the same financial group, where Where a reporting person relies on a third party that is part of the same financial group, the host or home supervisors may consider that the requirements of paragraphs (1), (2) and (3) are met where –</p>
Regulation 24	<p>(1) For the purpose of For the purposes of these regulations and section 17C(3) of the Act, in identifying a high risk third country, due consideration shall be given to strategic deficiencies in the anti-money laundering and combating the financing of terrorism legal and institutional framework, in particular in relation to –</p> <p>(i) criminalisation of money laundering and terrorism financing;</p> <p>(ii) measures relating to CDD;</p> <p>(iii) requirements relating to record-keeping;</p> <p>(iv) requirements to report suspicious transactions;</p> <p>(v) the availability of accurate and timely information of the beneficial ownership of legal persons and arrangements to competent authorities;”</p>