



# **Non-Regulated Service Providers (NRSPs)**

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# OUTLINE

- Types of NRSPs
- Registration process
- Customer Due Diligence (“CDD”)
- Enhanced Due Diligence (“EDD”)

# NRSPs

- Independent Legal Professionals;
- Accountants and Auditors;
- High Value Dealers; and
- Real Estate Agents.

# Independent Legal Professionals

Lawyers, notaries, other independent legal professionals and accountants [and auditors] are captured **only** when they “prepare for or carry out transactions for their client concerning the following activities:

- buying and selling of real estate;
- managing of client money, securities or other assets;
- management of bank, savings or securities accounts;
- organisation of contributions for the creation, operation or management of companies;
- creation, operation or management of legal persons or arrangements, and buying and selling of business entities.”

# High Value Dealers

A person who, by way of business, trades in goods, including precious metals and precious stones, and receives, in respect of any transaction, **a payment or payments in CASH of at least EC\$35,000, or the equivalent in a currency other than Eastern Caribbean dollars**, whether the transaction is executed in a single operation or in several linked operations.

# Real Estate Agents

Persons involved in transactions for their client concerning the buying and selling of real estate.

FATF Recommendation #22 – February 2012

# Application

- [www.fsc.org.ai](http://www.fsc.org.ai)
- Applicants must also apply for:
  - Money Laundering Compliance Officer (MLCO)
  - Money Laundering Reporting Officer (MLRO)
    - One individual may perform both roles

# CDD

- **Stage 1 - IDENTIFICATION** is establishing who your customer is.
  - Picture ID – displaying full name
- **Stage 2 - VERIFICATION** is proving who your customer is.
  - Other picture ID, proof of address, police record, bank statement



# Know Your Customer - (KYC)

- **KYC** is understanding:
  - Who your customer is
  - Where they are
  - What they do – Nature of business
  - Who they do it with
  - Why they are using your services
  - Why they are using your services now
  - What will their proposed activity look like
- **Must** conduct risk assessments and risk-rate your customers

# EQUATION

So, here comes the math!

$$\mathbf{ID + V + KYC = CDD}$$

- **Note:** CDD **MUST** be ongoing

# High Risk Customers - EDD

- **YOUR Risk-Assessment of the customer is HIGH:**
  - Products and services offered
  - Delivery of products and services – non face-to-face business
  - Jurisdiction of customer, products or services – FATF blacklisted?
  - Customer is acting on behalf of another
  - Customer fails to provide certain documentation

# EDD - (Cont'd)

- International standards requires **ALL** Politically Exposed Persons (PEPs) to be regarded as **High Risk**
- A person who is/was a prominent public figure
- Ministers of Government; Permanent Secretaries and the like
- Who else?
  - Immediate family – spouse, kids, parents, grandparents
  - close associates – business partners, joint ownerships

# Measures for EDD

- Board or Senior Management must approve
- Documents to include source of funds and source of wealth
- Enhanced monitoring
  - frequent reviews of transactions, periodic interviews
- Regular re-verification
  - Reports from independent experts

# HIGH RISK PRODUCTS

- Is your customer tied to any unlawful groups or goods?
  - Smuggling, drug/human trafficking, ammunition
- Are the services you provide or requirements of your customer risky?
  - Bearer shares – bearer of certificate is the owner
  - Nominee Shareholding/Directorship – hides the UBO
  - Complex transactions beyond your scope
  - Banking services – signatory on bank accounts
  - Shell companies – dormant companies