



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO



FINANCIAL INTELLIGENCE UNIT

MINISTRY OF FINANCE

FIU Reference: GN/001/2018

GUIDANCE NOTE: APPOINTMENT AND APPROVAL OF THE COMPLIANCE OFFICER AND ALTERNATE COMPLIANCE OFFICER OF A SUPERVISED ENTITY

The Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) legislation of Trinidad and Tobago requires that every financial institution (FI) and listed business (LB) appoint¹ a Compliance Officer (CO) and alternate Compliance Officer (ACO) who must be approved² by the relevant Supervisory Authority.

The CO and ACO both play a critical role towards ensuring the business complies with the AML/CFT legislative regime of Trinidad and Tobago.

Directors/senior management of non-regulated FIs and LBs (Supervised Entities) are required to appoint the CO and ACO who must be approved by the Supervisory Authority, the Financial Intelligence Unit of Trinidad and Tobago ("the FIUTT"). This general guidance note provides information on procedures to ensure the appointment and approval of the CO and ACO are done in accordance with the relevant laws and regulations.

1. Appointment of the CO and ACO

The directors/senior management of a Supervised Entity are responsible for designating an employee who is suitable to perform the functions of the CO and ACO. Suitability is relative and contingent on the nature of business (types of products and customers), cash intensity and structure of the business. The respective designation(s) must be made immediately upon registration with the FIUTT.

a) Non-Regulated Financial Institution (NRFI)

For NRFIs the CO and ACO should be a manager or official employed at a managerial or senior level. Where the FI employs five (5) persons or less, the most senior employee shall be the CO.

b) Listed Businesses

For LBs the designate CO and ACO can be either a senior employee of the business or such other competent professional (approved by the FIUTT). A competent professional should have qualifications in Law, Accountancy, Business, Management or other relevant qualifications and

¹ Regulation 3 of the Financial Obligations Regulations, 2010 (as amended)

² Regulation 4(2) of the Financial Obligations Regulations, 2010 (as amended)

sound knowledge of AML/CFT laws and regulations and FATF standards as evidenced by certification and/or sufficient experience in AML/CFT.

Once the designation(s) is made, steps should now be taken to have the CO and ACO approved by the FIUTT. Firstly, a Compliance Officer Fit and Proper Questionnaire (“the Questionnaire”) is completed and submitted to the FIUTT to start the approval process. Important to note, Part I of the Questionnaire must be completed by a director or member of senior management.

The criteria for the CO and ACO set out in the legislation is such, as the candidates will be required to make critical decisions and will be required to perform functions that require some autonomy, good judgement, pragmatism and knowledge.

2. Roles and responsibilities of the CO and ACO

The CO is considered the guardian of the businesses’ AML/CFT compliance regime with responsibility for implementation of AML/CFT policies and procedures approved by directors/senior management.

A key relationship to ensure this occurs is the CO’s service as the official liaison between the entity and the FIUTT. That is, the CO is the only official of the Supervised Entity that can submit Suspicious Transaction/Activity Reports (“STRs/SARs”), Terrorist Funds Reports (“TFRs”) and Quarterly Terrorist Property Reports (“QTRs”)³ to the FIUTT and whom the FIUTT will liaise with regarding AML/CFT compliance matters. Some functions of the CO include:

- a) Ensure the Supervised Entity develop and implement effective procedures and controls required by the AML/CFT legislation (customer due diligence, record-keeping, monitoring, reporting of suspicious transactions and combating the financing of terrorism);
- b) Co-ordinate and monitor the AML/CFT policies approved by director/senior management to ensure continuous compliance;
- c) Assess the AML/CFT mechanism regularly to ensure that it is effective and sufficient to address any change in money laundering and financing of terrorism trends. Recommendations for changes should be submitted to directors/senior management;
- d) Receive and review internally generated suspicious transaction reports submitted by staff and report to the FIUTT; and
- e) Maintain manual or electronic records of reports submitted by staff and to the FIUTT.

The ACO only performs the function of the CO in their absence. This means, where the CO is unable to perform the functions, due to extended time away from the job, the ACO will perform the functions listed above. Additionally, the FIUTT will be required to liaise with the CO on pertinent matters. Therefore, directors/senior management are required to notify the FIU, in a timely manner, of the CO’s absence and duration so our records will be updated.

3. FIUTT’s Approval of the CO and ACO

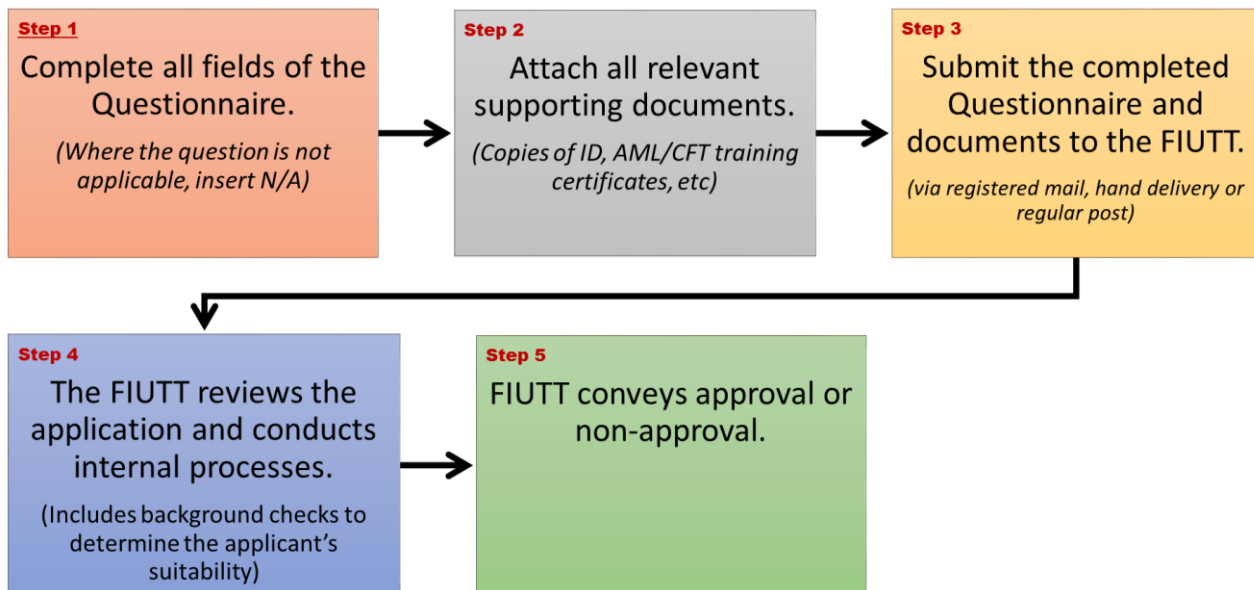
Approval of the CO and ACO by the relevant Supervisory Authority is a requirement under the laws of Trinidad and Tobago⁴.

³ Applicable to financial institutions only.

⁴ Regulation 4(2) of the Financial Obligations Regulations, 2010 (as amended)

To start the FIUTT’s approval process, the entity must ensure the **completed** Questionnaire is submitted to the FIUTT no more than thirty (30) days from the date of appointment by the directors/senior management. **Diagram 1** below illustrates the steps required after the appointment is made:

Diagram 1 – Steps required after appointment of the CO and ACO



The FIUTT internal processes must be completed before written communication is provided to the entity conveying approval or non-approval. That is, all information required and additional information requested must be submitted to the FIUTT to complete the approval process. Diagram 2 below highlights activities involved in the FIUTT’s internal approval process.

Diagram 2 – FIUTT Approval Processes

- Review and verify the Questionnaire and documents submitted by the entity for the appointed CO and ACO
- Conduct background checks with domestic and international agencies and open sources
- Assess risk and suitability of the CO and ACO appointed by directors/senior management
- Communicate FIUTT response conveying approval or non-approval. Further action is required, if necessary, based on results of assessment

Approval of the CO and ACO signifies to the Supervised Entity who is the official liaison between the entity and the FIUTT. If at any time the CO is required to be away from work for an extended period of time (on vacation leave or otherwise) the FIUTT must be notified of the duration of absence in writing or via email to fiucompliance@gov.tt. In such instances, only the approved ACO can perform the functions of the CO. Therefore the FIUTT will liaise with such person during the CO's period of absence.

4. AML/CFT Training

AML/CFT training is a requirement and must be ongoing.

It is the responsibility of the directors/senior management to ensure AML/CFT training is provided for and received by the CO and staff of the organisation⁵. The AML/CFT training should be designed to enable the CO to adequately perform the required functions outlined earlier in Section 2. Although the FIUTT regularly conducts outreach and awareness seminars where information on the Supervised Entity's legal obligations to the FIUTT is addressed, these seminars should not be considered AML/CFT training for the CO. Therefore, the Supervised Entity must ensure due diligence is conducted when selecting an AML/CFT training provider. The AML/CFT training provider, whether it is an individual or institution, should be accredited or have some recognised training and substantial experience in AML/CFT and provide previous references in AML/CFT.

As the ACO is required to perform the functions of the CO only in their absence, the same level of AML/CFT training should be obtained.

It is important that AML/CFT training is ongoing. That is, the CO and ACO should receive training at least once annually to keep abreast of recent AML/CFT trends, typologies and technology.

The FIUTT remains committed to fulfilling our mandate and continues to provide guidance to Supervised Entities so they can meet their legal obligations under the AML/CFT legislative regime of Trinidad and Tobago. The relationship between the CO and the FIUTT is instrumental in the ongoing fight to combat money laundering and the financing of terrorism. We aim to continue efforts to maintain and strengthen these relations.

Dated January 8, 2018

**Compliance and Outreach Division
Financial Intelligence Unit**

⁵ Regulation 6 of the Financial Obligations Regulations, 2010 (as amended)