

**ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF
TERRORISM (COUNTER-MEASURES) REGULATIONS**
(S.I. 8 of 2022)

Commencement

[28 January 2022]

Citation

1. These regulations may be cited as the Anti-Money Laundering and Countering the Financing of Terrorism (Counter-measures) Regulations.

Interpretation

2. (1) In these regulations, unless the context otherwise requires—

“**Act**” means the Anti-Money Laundering and Countering the Financing of Terrorism Act (Cap. 251);

“**concerned country**” means the country identified by the Financial Action Task Force or by the Republic on an independent determination proportionate to the risk, business relationship and transactions as a high-risk country;

“**counter-measure**” means an action taken to counteract a danger or threat related to Anti-Money Laundering and Countering the Financing of Terrorism;

“**other enforceable means**” means a document issued by the supervisory authority or other relevant authority under section 58(10) of the Act, in the form of a circular, notice or directive to enforce the counter-measures specified in the said document; and

“**relevant authority**” shall have the same meaning assigned to it in section 58(12) of the Act.

(2) Words and expressions used in these regulations but not defined in these regulations but defined in the Act, shall have the meanings respectively assigned to them in the Act.

Counter-measures to be applied by supervisory authorities or relevant authorities

3. The following counter-measures, which shall not be limited to these measures shall be applied by the supervisory authorities or the relevant authorities in respect of countries concerned, when called upon to do so by the Financial Action Task Force or on an independent determination by the Republic proportionate to the risk, business relationship and transactions—

- (a) requiring the reporting entities to give special attention to the business relationship and transactions with the concerned country, including the companies, financial institutions and those acting on behalf of that country;
- (b) requiring the reporting entities to apply specific elements of enhanced due diligence;
- (c) introducing enhanced relevant reporting mechanisms or systematic reporting of financial transactions;

- (d) refusing the establishment of subsidiaries or branches or representative offices of financial institutions and designated non-financial businesses and professions from the country concerned, or otherwise taking into account the fact that the relevant financial institution or the designated non-financial business and profession is from a country that does not have adequate anti-money laundering and countering the financing of terrorism systems;
 - (e) requiring the reporting entities to take necessary measures to close existing branches, subsidiaries and representative offices of banks from the concerned country within Seychelles;
 - (f) requiring the reporting entities to review and amend, or if necessary, terminate, correspondent relationships with financial institutions in the country concerned;
 - (g) prohibiting the reporting entities from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate anti-money laundering and countering the financing of terrorism systems;
 - (h) limiting the business relationship or financial transactions with the identified country or persons in that country;
 - (i) prohibiting the reporting entities from relying on third parties located in the country concerned to conduct elements of the Customer Due Diligence process;
 - (j) increased supervisory examination and external audit requirements for branches and subsidiaries of financial institutions based in the country concerned;
 - (k) introducing enhanced reporting mechanisms or systematic reporting of financial transactions from or through and to the country concerned;
 - (l) increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned;
 - (m) any other counter-measure as may be suggested by the Committee by a directive, to mitigate the risks encountered in implementing the Act or any call by the Financial Action Task Force to take action on any country concerned or on the basis of independent determination proportionate to the risk, business relationship and transactions with the country concerned or on the basis of weaknesses of anti-money laundering and countering the financing of terrorism systems of other countries.
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