



# **The Institute of Chartered Accountants of Trinidad and Tobago (ICATT)**

**Recommended template for use by the External  
Auditors in the execution of their obligation  
under Regulation 10 (2) (a) of the Financial  
Obligations Regulations 2010 (as amended)**

**December 11, 2019**

## **Foreword**

The following template was updated by the Institute of Chartered Accountants of Trinidad and Tobago, in consultation with the Central Bank of Trinidad and Tobago, the Financial Intelligence Unit of Trinidad and Tobago and the Trinidad and Tobago Securities Exchange Commission, in accordance with the relevant anti-money laundering laws and regulations. All external auditors must submit their reports using this template to the Board of Directors and to the relevant Supervisory Authority in the execution of the reporting obligation defined in Regulation 10(2)(a) in the Financial Obligations Regulations 2010 (as amended).

# Co XX Limited

Assessment of Compliance with  
Anti Money Laundering/  
Combating Financing of  
Terrorism/ Countering  
Proliferation Financing  
Legislation and Guidelines

For the year ended  
Dd Month Year



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# ***Report on Compliance Procedures***

In accordance with our approved engagement letter dated \_\_\_\_\_, we assessed the policies, procedures and systems for compliance with relevant anti-money laundering/ combating financing of terrorism legislation and guidelines for the year ended \_\_\_\_\_ for \_\_\_\_\_.

Our services were performed, and this report was developed in accordance with our engagement letter dated \_\_\_\_\_ and is subject to the terms and conditions included therein.

The procedures we performed did not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, we provide no opinion, attestation or other forms of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source except as may be specified in this report or in our engagement letter.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through \_\_\_\_\_. Accordingly, changes in circumstances after this date could affect the findings outlined in the report. The items tested were selected from transactions processed at the \_\_\_\_\_ (Head Office) and at the \_\_\_\_\_.

We held discussions with persons responsible for compliance matters as listed in the Scope and Approach Section and with the relevant anti-money laundering legislation/ combating financing of terrorism/ countering proliferation financing legislation, regulations and guidelines as listed in our Background Section. The number of items selected for testing is in accordance with \_\_\_\_\_'s methodology for test of controls.

Our procedures included testing which was conducted on the selected items and therefore are subject to the limitation that all errors, irregularities and/or illegal acts which can have a direct and material impact may not be detected. Our assessment was not designed to identify or disclose fraud, defalcations and other irregularities. Where our testing involved documents with an authorising signature, no procedures were performed to verify the authenticity of those signatures.

This report and all the deliverables arising out of this assessment from \_\_\_\_\_ are intended solely for the Directors of \_\_\_\_\_ for their internal use and benefit and are not intended to nor may they be relied upon by any other party ("Third Party"), to whom we owe no duty of care, except for the \_\_\_\_\_. A copy of this report is provided to the \_\_\_\_\_ in accordance with Regulation 10 (2) (a) of The Financial Obligations Regulations 2010 (as amended).

Neither this deliverable nor its contents may be distributed to, discussed with, or otherwise disclosed to any Third Party other than the SA without the prior written consent of \_\_\_\_\_.

\_\_\_\_\_ accepts no liability or responsibility to any Third Party who gains access to this deliverable.

[Signature]

[Firm Name][Date]

# Background

To provide background into the financial institution or listed business/ management/ compliance function etc. Details should include:

1. Comments on the entities covered in this report including subsidiaries/ branches/ agencies etc
2. Nature of business of entities covered in this report
3. Document the names of the Compliance Officer and Alternate Compliance Officer.
4. The date the Compliance Officer and Alternate Compliance Officer was appointed by Senior Management and the dates the SA was informed of the appointments.<sup>1</sup>
5. Date of approval of the CO by the SA
6. Date of approval of the ACO where the ACO has been performing functions of the CO for a period in excess of 30 days
7. Structure / complement of the Compliance function/ department
8. The reporting structure of the Compliance Officer in the organisation
9. Key responsibilities of the Compliance Officer/ Compliance Function
10. Key reports used by the Compliance Officer / Compliance Function - the entity's risk assessment should be considered one such report
11. How the Compliance Officer reports to the BOD (nature and frequency)
12. What were the legislation/ regulations used to draft the financial institution's AML Program
13. The frequency of internal audits/high-level overview of areas covered<sup>2</sup>
14. Overview of training programs held/attended during the year for all members of relevant staff (directors, all staff, CO and ACO)
15. Overview of record-keeping procedures at the entity
16. Number of staff/employees in each entity covered in this report<sup>3</sup>

The Financial institution or listed business use the following lists as part of its AML/CFT/CPF compliance program<sup>4</sup>:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Management indicated that for the year ended Date Month Year:

- \_\_\_\_\_ Suspicious Activity Reports (SARs) were reported to the Financial Intelligence Unit of Trinidad and Tobago (the FIUTT)
- \_\_\_\_\_ transactions were investigated but deemed not to be suspicious
- \_\_\_\_\_ accounts were terminated by management
- \_\_\_\_\_ customers were refused business
- \_\_\_\_\_ requests for assistance were received from the FIUTT

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<sup>1</sup> Where there are changes to the Compliance Officer (CO), document the dates the CO ceases to perform these functions and the date the SA was informed of the change.

<sup>2</sup> Ascertain whether the areas required by the relevant SA have been covered in the internal audit e.g. CBTT Guideline Part II, section 4.2 or TTSEC Guideline Section 12.

<sup>3</sup> This is especially important in the case of smaller FIs where the independence of the Compliance Officer may be somewhat fettered by a small staff compliment.

<sup>4</sup> These maybe lists of designated persons or reports utilised by the FI or listed business for client onboarding or transaction monitoring e.g. FATF lists.

## ***Background***

- \_\_\_\_\_ accounts frozen for TF/PF
- \_\_\_\_\_ accounts unfrozen as a result of delisting

Include comments on whether the institution has been sanctioned or been the subject of any disciplinary, civil or criminal action by any Supervisory Authority or other Authority because of non-compliance with AML/ CFT/ CPF requirements.

The information set out above has been obtained by us from management and not independently tested unless otherwise stated elsewhere in this report.

# ***Overview of Results***

To provide an overview of the results of the procedures applied.

To assist with the remediation of control weaknesses/implementation of recommendations, where relevant, we have provided in electronic format, detailed appendices for follow-up/investigation.

The areas tested by [Name of Firm] are listed in the Scope and Approach Section and the corrective actions are set out in the Appendices of this report. This report has been discussed with management who (is/ is not) in agreement with [Name of Firm] assessment.



# Scope and Approach

Procedures were conducted to provide management with an assessment of whether policies and systems were in place to address the following for the year ended Date Month Year:

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>General</b>	Ascertain whether arrangements were in place to facilitate internal audits being conducted at a minimum, once every three (3) years, to assess the requirements outlined in the relevant AML/ CFT/ CPF legislation, regulations and guidelines and corrective actions taken for recommendations noted by the internal auditor <sup>5</sup> .	[1] FOR 2010 Part II - Reg 10(2)	<b>Y</b>
	Identify whether parties involved in the execution of internal audits were independent of personnel involved in the: <ul style="list-style-type: none"> <li>▪ Implementation of procedures</li> <li>▪ Processing of business transactions</li> </ul>	[1] FOR 2010 Part II - Reg 7(1)	<b>Y</b>
	Identify whether managers or officials employed at a managerial level were designated to carry out the functions of the Compliance Officer and Alternate Compliance Officer.	[1] FOR 2010 Part II – Reg 3(1)	<b>Y</b>
	Identify whether managers or officials employed at a managerial level were designated as the Compliance Officer for more than one of the financial institutions within the financial group and the relevant Supervisory Authority has granted approval in writing <sup>6</sup> .	[1] FOR 2010 Part II – Reg 3(1A)	
	Identify whether the most senior person is the Compliance Officer where the institution employs five persons or less.	[1] FOR 2010 Part II - Reg 3(2)	

<sup>5</sup> The frequency of the internal audit review may be determined by the FI commensurate with its complexity, size and risk profile, but at a minimum should be conducted every three years. See relevant Supervisory Authority guidelines – CBT, TTSEC and FIUTT.

<sup>6</sup> In addition to the Group CO (GCO) notification, each entity must designate its own CO who is employed by the entity or within the same financial group as the entity. COs appointed for more than one entity within the financial group should have the relevant approval from the supervisory authority for each appointment. Note, the GCO could also be the CO or the alternate CO.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>General (continued)</b>	Identify whether the Compliance Officer and Alternate Compliance Officer were independent of the receipt, transfer or payment of funds or management of customer assets <sup>7</sup> .	[1] CBTT Guidelines 2018 Part II, Section 3.3	
	Ascertain whether the relevant Supervisory Authority has been notified of the appointment of the Compliance Officer and granted approval in writing.	[1] FOR 2010 Part II - Reg 4(2)	
	Ascertain whether the relevant Supervisory Authority has been notified of the appointment of the Alternate Compliance Officer.	[1] FOR 2010 Part II - Reg 4(2)	
	Ascertain whether the relevant Supervisory Authority has granted approval to the Alternate Compliance Officer who has been performing duties of the Compliance Officer for a period in excess of thirty working days.	[1] FOR 2010 Part II - Reg 3(11)	
	Ascertain whether financial institutions or listed businesses supervised by the FIUTT have been granted approval for the appointment of the Alternate Compliance Officer.	[1] FOR 2010 Part II - Reg 3(10)	
	Ascertain whether the person selected as Compliance Officer and Alternate Compliance Officer receives ongoing training on the prevention and detection of money laundering, terrorist financing and proliferation financing and has obtained anti-money laundering qualifications.	[1] FOR 2010 Part II - Reg 3(4)	
	Ascertain whether procedures were in place for the identity of the Compliance Officer and Alternate Compliance Officer to be treated with the strictest confidence by employees.	[1] FOR 2010 Part II - Reg 4(3)	

<sup>7</sup> This requirement is specific to Fis regulated by the CBTT. To consider the size of the entity when discussing whether the entity is compliant/not compliant for this requirement

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>General (continued)</b>	Identify whether the Compliance Officer and Alternate Compliance Officer reported directly to senior management and has unfettered access to and direct communications with senior management.	[1] CBTT Guidelines 2018 Part II, Section 3.3 [2] TTSEC Guidelines 2018, Part 2, Section 7 (4)	
	Identify whether, for Group companies, a senior employee was appointed as the Group Compliance Officer and the relevant Supervisory Authority was notified in writing and has approved the Group CO <sup>8</sup> .	[1] CBTT Guidelines 2018 Part II, Section 5.2.1 [2] TTSEC Guidelines 2018, Part 2, Section 6 (2)	
<b>Policies and Procedures (Continued)</b>	Identify whether AML Policies and Procedures were approved by the Financial institution or listed business' senior management <sup>9</sup> .	[1] CBTT Guidelines 2018 Part II, Section 3.1 [2] TTSEC Guidelines 2018, Part 2, Section 5(1) [3] Section 55C of the POCA	
	Identify whether documented evidence of Board oversight functions is maintained e.g. through minutes of board meetings.	[1] CBTT Guidelines 2018 Part II, Section 3.1 [2] TTSEC Guidelines 2018, Part 2, Section 5(1)	
	Ascertain whether Group-wide AML Policies and Procedures were implemented for financial groups which appropriately identify, monitor and mitigate group-wide risks and are applicable for all branches and subsidiaries.	[1] FOR 2010 Part II - Reg 7(3)	
	Identify whether policies and procedures existed for data protection, confidentiality, sharing of information, and the use of information exchanged within the financial group.	[1] FOR 2010 Part II - Reg 7(4)	

<sup>8</sup> FIs are required to notify the CBTT and TTSEC but persons supervised by the FIUTT are required to obtain approval of person appointed into role.

<sup>9</sup> "Senior management" in relation to a financial institution means the body responsible for directing or overseeing the performance of the financial institution, in line with Section 55C(3) of POCA.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Identify whether policies and procedures included requirements for foreign branches or subsidiaries in host jurisdictions to apply the Trinidad and Tobago requirements, where the AML/CFT/CPF requirements in the host jurisdiction are less stringent, where permissible by law.	[1] FOR 2010 Part II - Reg 7(6)	
	Ascertain whether Policies and procedures included measures for the sharing of information and analysis of unusual transactions or activities, including sharing of information on STRs, between branches and subsidiaries and group-level compliance.	[1] FOR 2010 Part II - Reg 7(4a)	
	Ascertain whether Policies and procedures included measures implemented to manage ML/TF/PF risks posed by foreign branches or subsidiaries, where the laws and regulations of Trinidad and Tobago cannot be properly implemented and for those measures to be communicated to the Supervisory Authority.	[1] FOR 2010 Part II - Reg 7(7)	
	Ascertain whether AML Policies and Procedures included a risk assessment which identifies and assesses the money laundering risks and the measures taken to manage and mitigate these risks, as well as re-assessing the Money Laundering/ Terrorist Financing/ Proliferation Financing risks at least every three years and consider setting a mandatory date for review. <sup>10</sup>	[1] FOR 2010 Part II - Reg 7(2) [2] CBTT Guidelines 2018 Part II, Section 5.4 [3] TTSEC Guidelines 2018, Part 2, Section 4 (4)	
	Ascertain whether Policies and procedures included results of the national risk assessments where available in the company's Money Laundering/ Terrorist Financing/ Proliferation Financing risk assessment process.	[1] FOR 2010 Part III - Reg 14(3) [2] CBTT Guidelines 2018 Part II, Section 5.3	

<sup>10</sup> The risk assessment needs to be documented (Reg 7(2)(b)), and consider the ML/TF risk posed by client type, products & services offered, geographic location of FI/LB and its branches as well as geographic location of its clients, delivery channels of its products/ services and transactions – Regulation 7(2)(a).

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether policies and procedures existed for the retention of details for domestic and international transactions; of client and all transaction information, account files and business correspondence and the results of any analysis undertaken related to an account or transaction, for a minimum of six years, or until such time as advised by the FIUTT or other Supervisory Authority.	[1] FOR 2010 Part V - Reg 31	
	Ascertain whether policies and procedures existed for the execution of due diligence on prospective employees (know your employee procedures) and on current employees throughout the course of employment including meeting the statutory 'fit and proper' criteria <sup>11</sup> .	[1] FOR 2010 Part II - Reg 5(1) [2] CBTT Guidelines 2018 Part II, Section 10 [3] TTSEC Guidelines 2018, Part 2, Section 8(5)	
	Identify whether policies and procedures existed for similar recruitment policies to be followed by branches, subsidiaries and associate companies abroad.	[1] FOR 2010 Part II - Reg 5(3)	
	Identify whether policies existed for the retention of the following staff records for a minimum period of six years after termination of employment: <ul style="list-style-type: none"> <li>▪ Names and addresses</li> <li>▪ Position titles</li> <li>▪ Other official staff information</li> </ul>	[1] FOR 2010 Part II - Reg 5(2)	N

<sup>11</sup> Per TTSEC Section 8 (1), the extent of the screening should be determined by the level of responsibilities and risks inherent to the functions of the existing or prospective employee.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	<p>Ascertain whether transaction monitoring policies, procedures and controls were in place to identify complex, unusual and large transactions and such policies allowed for:</p> <ul style="list-style-type: none"> <li>▪ The degree of transaction monitoring to be commensurate with the client's risk rating</li> <li>▪ The transaction monitoring to be conducted within a reasonable timeframe from the date of the transaction</li> <li>▪ A transaction monitoring system and methodology that is commensurate with the volume and complexity of the monitored transactions</li> </ul>	<p>[1] FOR 2010 Part III - Reg 11</p> <p>[2] CBTT Guidelines 2018 Part II, Section 8</p> <p>[3] TTSEC Guidelines 2018, Part 6, Section 90</p>	
	<p>Ascertain whether procedures included a step-by-step approach to guide all levels of employees, from the initiation of the identification of a customer or initiation of a transaction through to the making of reports to the Compliance Officer and the FIUTT.</p>	<p>[1] FOR 2010 Part III - Reg 11</p> <p>[2] CBTT Guidelines 2018 Part II, Section 8</p> <p>[3] TTSEC Guidelines 2018, Part 6, Section 90 - 92</p>	
	<p>Ascertain whether procedures outlined the use of special forms or the modification of regular transaction forms to allow for compilation of details and the exercise of controls from the initiation of the transaction to the making of reports to the FIUTT.</p>	<p>To assist in meeting requirements of FOR 2010 Part V - Reg 31 – Reg 34</p>	
	<p>Identify whether Forms used to compile details and in the exercise of controls from the initiation of suspicious transactions to the making of reports to the FIUTT, allowed for the identification of the date(s) of transactions(s) and the date(s) of action taken by the financial institution.</p>	<p>To assist in meeting requirements of FOR 2010 Part V - Reg 31 – Reg 34</p>	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	<p>Identify whether procedures were in place for suspicious transactions to be reported to:</p> <ul style="list-style-type: none"> <li>▪ The Compliance Officer as soon as reasonably practicable, regardless of the amount of the transaction (e.g. 24 hours of detection)</li> <li>▪ The FIUTT as soon as possible, but in any event, within 14 days from when the transaction was deemed suspicious by the Compliance Officer</li> </ul>	[1] FOR 2010 Part II - Reg 8(1)	
	<p>Ascertain whether procedures exist to forego the customer due diligence process for a customer where money laundering is suspected and the customer due diligence process may result in tipping off the customer. Procedures include the requirement to file a SAR with the FIUTT in such instances.</p>	[1] FOR 2010 Part III - Reg 11(8)	
	<p>Ascertain whether procedures exist for due diligence to be performed where there is doubt about the veracity/adequacy of customer information and where the information cannot be verified, to discontinue the business relationship and report the matter to the Compliance Officer. The Compliance Officer shall consider whether a suspicious report shall be submitted to the FIUTT.</p>	[1] FOR 2010 Part III - Reg 18	
	<p>Identify whether policies and procedures prohibit the opening/maintenance of anonymous accounts or accounts with fictitious names.</p>	[1] FOR 2010 Part III - Reg 19(1)	
	<p>Ascertain whether policies and procedures exist for the financial institution or listed business to take reasonable measures to identify the beneficial owner of the account or potential accounts and if not satisfied, to terminate the relationship with the customer and report the matter to the Compliance Officer.</p>	[1] FOR 2010 Part III - Reg 19(2)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether policies and procedures include due diligence measures for the identification and verification of persons acting as the representative of a customer.	[1] FOR 2010 Part III - Reg 13	
	Ascertain whether policies and procedures outlined the enhanced and ongoing monitoring measures to be taken with respect to the customer/transactions, after the filing of a SAR in order to mitigate the risk that the institution is used for criminal activity. <sup>12</sup>	[1] CBTT Guidelines 2018 Part II, Section 8.4 [2] TTSEC Guidelines 2018, Part 6, Section 96	
	Ascertain whether policies included a requirement for the consideration of risk exposure of common customers, transactions and account activity to be shared within the financial group, and for management of group relationships deemed to be higher risk, including procedures for escalation and restrictions and/or termination of accounts and relationships.	[1] FOR 2010 Part II - Reg 7(4a) [2] CBTT Guidelines 2018 Part II, Section 5.2 [3] TTSEC Guidelines 2018, Part 6, Section 98	
	Ascertain whether the compliance program included policies for verification of customer information and other due diligence procedures.	[1] FOR 2010 Part II - Reg 7(a)	
	Ascertain whether a documented risk-based approach existed for products, services, customers, countries or geographic areas and transactions or delivery channels, which includes the application of additional/ enhanced due diligence procedures to be applied to each risk category and for the ongoing monitoring of the current activities and customer relationships.	[1] FOR 2010 Part II - Reg 7(2)	

<sup>12</sup> Refer to guidance included in Part II, Section 8.4, 'Ongoing Monitoring of Relationships', of the Central Bank's AML/CFT Guideline.



## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether policies and procedures were in place for the identification of politically exposed persons (PEPs), assessment and management of any identified elevated or reduced risks, approval of business relationships with all PEPs by senior management and ongoing monitoring of such relationships.	[1] FOR 2010 Part III - Reg 20	
	Ascertain whether procedures included a description of the type of customers that are likely to pose higher than average risk and the enhanced due diligence procedures to be applied in such instances.	[1] FOR 2010 Part III - Reg 14(2)	
	Ascertain whether procedures included a description of the type of customers that are likely to pose lower than average risk and the simplified due diligence procedures to be applied in such instances.	[1] FOR 2010 Part III - Reg 14(3)	
	Ascertain whether procedures included simplified customer due diligence which adjusted the frequency and intensity of the measures to satisfy minimum customer due diligence standards and prohibited simplified due diligence (SDD) when there is a suspicion of money laundering.  Ascertain whether controls were in place to monitor clients who were onboarding via SDD to ensure that their usage of products and services, as well as the volume of their transactions, are commensurate with low-risk activity	[1] FOR 2010 Part III - Reg 14(4)	
	Ascertain whether policies included measures to ensure sub-agents of money or value transfer services follow the financial institution's compliance programme and processes for monitoring the sub-agent's compliance with the programme.	[1] FOR 2010 Part II - Reg 7(8)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether policies were in place to ensure verification of the accuracy of information of the originator of a wire transfer or money or value transfer service and provisions were in place to identify incomplete information and to terminate the wire transfer if the originator did not provide the missing information and report the matter to the Compliance Officer. <sup>13</sup>	[1] FOR 2010 Part V - Reg 34	
	<p>Ascertain policies were in place for a beneficial financial institution who receives funds from an originator and an intermediary financial institution who acts between the originator and the beneficiary financial institution to:</p> <ul style="list-style-type: none"> <li>▪ take reasonable measures to identify domestic and cross-border transfers that lack the required originator or beneficiary information; and</li> <li>▪ have risk-based policies and procedures to – <ul style="list-style-type: none"> <li>(i) execute, reject or suspend a wire transfer lacking the required originator or beneficiary information; and</li> <li>(ii) determine follow-up action in respect of subparagraph (i).</li> </ul> </li> </ul>	[1] FOR 2010 Part V - Reg 33(6)	
	Ascertain whether policies and procedures were in place to ensure where a domestic or cross-border wire transfer is for a sum over six thousand dollars, the beneficiary financial institution verified the identity of the beneficiary where not previously identified and maintains a record in accordance with the POCA regulation 31.	[1] FOR 2010 Part V - Reg 34(5)	

<sup>13</sup> When verifying information regarding the originator of a wire, consideration should be given to whether an FI is remitting a wire on behalf of their client. E.g. a CIS manager can send a wire from a bank account in the name of the CIS manager but the wire is on behalf of a CIS unitholder. In such an example, the information accompanying the wire should indicate that the CIS unitholder originated the wire and the identity of the said unitholder. See guideline 79 of TTSEC's AML/CFT guidelines.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether procedures exist for the completion of risk-based ongoing due diligence to be conducted on all existing accounts.	[1] FOR 2010 Part V - Reg 37	
	Ascertain whether procedures for the initiation/ ongoing monitoring of customer relationships for terrorist and proliferation financing risks included the checking of customers against relevant lists, including but not limited to:  (i) a list of the countries identified by the Financial Action Task Force, as jurisdictions that have strategic anti-money laundering and counter financing of terrorism deficiencies;  (ii) Consolidated List of Court Orders issued by the High Court of Justice of the Republic of Trinidad & Tobago;  (iii) United Nations Security Council Consolidated List; and  (iv) Orders made under the Economic Sanctions Act.	[1] ATA 2005 Reg 22AB [2] CBTT Guidelines 2018 Part II, Section 9 [3] TTSEC Guidelines 2018, Part 7, Section 107 [4] Economic Sanctions Act	
	Ascertain whether procedures exist for the reporting of persons to the FIUTT who are named on the aforesaid lists and have funds with the financial institution / listed business and for freezing such funds.	[1] ATA 2005 - Reg 22AB	
	Ascertain whether procedures exist for unfreezing funds/accounts when persons are delisted.	[1] ATA 2005 - Reg 22AB	
	Comment on whether procedures exist for the assessment of Money Laundering/ Terrorist Financing/ Proliferation Financing risks in the development of new products and new business practices.	[1] FOR 2010 Part IV - Reg 23(1)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	<p>Where reliance is placed on a third-party financial institution, ascertain whether procedures exist to:</p> <ul style="list-style-type: none"> <li>▪ obtain immediately, the necessary information concerning the identification of the customer, identification of the beneficial owner and understanding the nature of the business</li> <li>▪ confirm that copies of identification data and other relevant documentation relating to customer due diligence requirements will be made available from the third party financial institution or listed business upon request without delay</li> <li>▪ ensure that the third party financial institution is regulated, supervised or monitored and has measures in place for compliance with customer due diligence and recordkeeping requirements</li> <li>▪ verify that third parties have an appropriate AML/CFT/ CPF risk management programme where the Financial institution relies on such parties, including payment service providers, to accept funds on their behalf.</li> </ul>	[1] FOR 2010 Part III - Reg 11(1D(c))	
	<p>Ascertain whether procedures exist for senior management approval of eligible introducers of business and for the financial institution to have clear and legible copies of all documents within thirty (30) days of receipt of the eligible introducer's written confirmation that a customer's identity has been verified in accordance with their national laws.</p>	<p>[1] FOR 2010 Part III - Reg 14(1)(a)</p> <p>[2] CBT Guidelines 2018 Part IV, Section 4.4</p>	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether procedures exist to prohibit relationships with a shell bank and for gathering sufficient information from enhanced due diligence procedures on correspondent banks and obtaining senior management approval prior to setting up correspondent accounts.	[1] FOR 2010 Part III - Reg 22	
	Ascertain whether procedures were in place for appropriately tailored training programs consistent with the financial institution's size, resources and type of operations to be conducted for Directors and all employees.	[1] FOR 2010 Part II - Reg 6 [2] CBITT Guidelines 2018 Part II, Section 11 [3] TTSEC Guidelines 2018, Part 2, Section 9	
	Ascertain whether monitoring processes or systems were in place to allow for the identification of: <ul style="list-style-type: none"> <li>jurisdictions identified by the FATF that have strategic anti-money laundering and counter financing of terrorism deficiencies;</li> <li>persons included on the Consolidated List of Court Orders issued by the High Court of Justice of the Republic of Trinidad &amp; Tobago; the United Nations Security Council Consolidated List; and Orders made under the Economic Sanctions Act;</li> <li>complex, large, unusual transactions; and</li> <li>patterns and activity inconsistent with the customer's risk profile.</li> </ul>	[1] CBITT Guidelines 2018 Part II, Section 8 [2] TTSEC Guidelines 2018, Part 6, Section 90(2)	
	Ascertain whether the records were in a format to permit transaction reconstruction upon receipt of information requests from the FIUTT or law enforcement.	[1] FOR 2010, Part V - Reg 31(3)	
	Ascertain whether a list of all sub-agents was maintained by a money or value transfer service business.	[1] FOR 2010, Part V - Reg 31(A)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	Ascertain whether procedures include specific controls for entering into insurance contracts before verification of the identity of the customer can be completed and states that the verification must be completed as soon as reasonably practicable; that ML/TF/PF risks must be managed; and that funds payable under the contract cannot be paid to third parties before the identification procedure is complete, and must be approved by a senior manager in writing.	[1] FOR 2010, Part IV - Reg 24	
	Ascertain whether procedures are in place to screen beneficiaries/claimants of policies or policyholders requesting full or partial surrenders, prior to pay-out of funds, against the:  (i) Consolidated List of Court Orders issued by the High Court of Justice of the Republic of Trinidad & Tobago; (ii) United Nations Security Council Consolidated List; and (iii) Orders made under the Economic Sanctions Act.	[1] ATA 2005 Reg 22AB [2] CBTT Guidelines 2018 Part II, Section 9 [3] TTSEC Guidelines 2018, Part 7, Section 107 [4] Economic Sanctions Act	
	Ascertain whether procedures were in place for the consideration of the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced due diligence is applicable.	[1] FOR 2010 Part IV - Reg 27(4) and Reg 27(5)	
	Ascertain whether procedures were in place for where it is determined that a beneficiary who is a legal person or legal arrangement presents a higher risk, enhanced measures should be taken to identify and verify the identity of the beneficial owner of the beneficiary, at the time of the payout.	[1] FOR 2010 Part IV - Reg 27(2) and Reg 27(5)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Policies and Procedures (Continued)</b>	<p>Ascertain whether procedures were in place for the financial institution, up until the time of payment in relation to life insurance policies, to take reasonable measures to determine whether the beneficiaries or the beneficial owner of the beneficiaries are politically exposed persons. Where a person is a politically exposed person, the relevant person in the financial institution shall–</p> <ul style="list-style-type: none"> <li>▪ inform senior management in the financial institution, prior to the payout of the policy proceeds;</li> <li>▪ conduct enhanced due diligence on the whole business relationship with the policyholder; and</li> <li>▪ consider making a suspicious transaction report.</li> </ul>	[1] FOR 2010 Part IV - Reg 27(7)	
<b>Training</b>	Ascertain whether training programs which include the requirements and responsibilities of the employees and directors in accordance with the legislation and guidelines were administered on a continuing or regular basis, at least annually.	[1] CBT Guidelines 2018 Part II, Section 11 [2] TTSEC Guidelines 2018, Part 2, Section 9(2)	
	Ascertain whether training programs included the money laundering, financing of terrorism and proliferation financing risks that may arise in relation to the development of new products and new practices and the use of new or developing technologies.	[1] FOR 2010 Part II - Reg 6(1)	
	Ascertain whether records of employee training were maintained, inclusive of the content of training programmes, the names of employees who have received training, the date of the training, the results of any testing carried out to ensure understanding of the training material and an on-going training plan.	[1] CBT Guidelines 2018 Part II, Section 11 [2] TTSEC Guidelines 2018, Part 2, Section 9(3)	

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Training (continued)</b>	Establish for a sample of _____ employees and all Directors whether they participated in training programs during the year by reviewing the training records.	[1] FOR 2010 Part II - Reg 6(1)	
<b>Detection – Know Your Employee</b>	Establish for a sample of _____ new employees whether Know Your Employee (KYE) procedures were conducted prior to onboarding.	[1] FOR 2010 Part II - Reg 5(1) [2] CBTT Guidelines 2018 Part II, Section 10 [3] TTSEC Guidelines 2018, Part 2, Section 8(5)	
<b>Detection – Know Your Customer</b> <sup>14</sup>	Establish for a sample of _____ significant transactions as identified by management during the year whether the due diligence procedures as required by the Financial institution's policy were performed. <sup>15</sup>	[1] FOR 2010 Part III - Reg 12(3)	

<sup>14</sup> For insurance companies, all agents should be included in the population from which the sample is selected, however, Brokers are excluded from this sample.

<sup>15</sup> Auditors to define what threshold was applied in identifying significant transactions.



## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Detection – Know Your Customer</b> <sup>16</sup>	<p>Establish for a sample of _____ first time individuals who are customers/ beneficial owners/ authorised signatories during the year whether the following were obtained<sup>17</sup>:</p> <ul style="list-style-type: none"> <li>▪ Legal Name (first and last name)</li> <li>▪ Residential address</li> <li>▪ Date and place of birth</li> <li>▪ Nationality and an official personal identification number or other unique identifier</li> <li>▪ Expected use of the account, amount, number, type, purpose and frequency of the transactions expected</li> <li>▪ Occupation and/or public position held</li> <li>▪ Income</li> <li>▪ Signature</li> <li>▪ Financial products/ services requested by the customer.</li> <li>▪ Source of funds (where applicable)</li> <li>▪ Any other information deemed appropriate by management</li> <li>▪ The customer's source of funds and source of wealth (validate this where applicable)</li> <li>▪ Conduct negative news/ adverse media screening on the customer and evaluate any positive hits</li> <li>▪ Senior management approval</li> </ul>	[1] FOR 2010 Part III - Reg 15(1) and Reg 20	

<sup>16</sup> For insurance companies, all agents should be included in the population from which the sample is selected, however, Brokers are excluded from this sample.

<sup>17</sup> Amend to only list those identification records which are required by the Company's AML Compliance Program. e.g. there might be different identification records required for low risk and high-risk customers.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Detection – Know Your Customer (continued)</b>	<p>Establish for a sample of _____ first-time legal persons (businesses or non-profit organisation, distinct from its officers and shareholders) during the year whether the following identification records were obtained<sup>18</sup>:</p> <ul style="list-style-type: none"> <li>▪ Name, legal form, status and proof of incorporation of the legal person (Certificate of Incorporation/ Continuance and By-Laws (where applicable))</li> <li>▪ Articles of Incorporation</li> <li>▪ Permanent address of the legal principal place of the legal person's activities</li> <li>▪ Official identification number (financial institution registration number, tax identification number)</li> <li>▪ The mailing and registered address of legal person</li> <li>▪ Identity of natural persons who are authorised to operate the account</li> <li>▪ Nature and purpose of the activities of the legal entity and its legitimacy</li> <li>▪ Expected use of the account, amount, number, type, purposes and frequency of the transactions expected</li> <li>▪ Identity of the beneficial owners</li> <li>▪ Management accounts for the last three years for self-employed persons and businesses which have been in operation for more than three years</li> <li>▪ Information on the identity of shareholders holding more than ten per centum of the paid-up share capital of the financial institution</li> </ul>	[1] FOR 2010 Part III - Reg 16(2)	N

<sup>18</sup> Amend to only list those identification records which are required by the Company's AML Compliance Program. e.g. there might be different identification records required for low risk and high-risk customers.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Detection – Know Your Customer (continued)</b>	Establish for a sample of _____ foreign customers during the year, whether the identity of the foreign customer was verified.	[1] FOR 2010 Part III - Reg 15(1), Reg 15(3) and Reg 20	
	Establish for a sample of _____ trustee or nominee relationships or other legal arrangements whether, in addition to the requirements outlined above, the financial institution or listed business obtained the following information: <ul style="list-style-type: none"> <li>▪ evidence of the appointment of the trustee by means of a certified copy of the Deed of Trust;</li> <li>▪ the nature and purpose of the trust; and</li> <li>▪ verification of the identity of the trustee<sup>19</sup>.</li> </ul>	[1] FOR 2010 Part III - Reg 17(1),	
	Establish for a sample of _____ customers of a money or value transfer service whether the following was obtained: <ul style="list-style-type: none"> <li>▪ Name of the originator of the transfer</li> <li>▪ Address and a national identification number or a passport number of the originator</li> <li>▪ Account number of the originator and in the absence of an account, a unique transaction reference number</li> <li>▪ Name of the beneficiary</li> <li>▪ Beneficiary account number or in the absence of an account, a unique transaction reference number</li> </ul>	[1] FOR 2010 Part V - Reg 34(2) and Reg 34(2A)	

<sup>19</sup> “Trustee” includes the settlor, protector, person providing the trust funds, controller or any person holding power to appoint or remove the trustee.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Detection – Know Your Customer (continued)</b>	<p>Establish for a sample of _____ wire transfer customers whether the following was obtained:</p> <ul style="list-style-type: none"> <li>Name of the originator of the transfer</li> <li>Address or a national identification number or a passport number of the originator</li> <li>Account number of the originator and in the absence of an account, a unique transaction reference number</li> <li>Name of the beneficiary</li> <li>Beneficiary account number or in the absence of an account, a unique transaction reference number</li> <li>If applicable, the name of the underlying client on whose behalf the wire is being transmitted</li> <li>If applicable, the address or a national identification number or a passport number of the underlying client</li> </ul>	[1] FOR 2010 Part V - Reg 34(2)	
	<p>Establish for a sample of _____ customers where reliance was placed on a third party to perform elements of customer due diligence, whether the appropriate customer due diligence information was obtained.<sup>20</sup></p>	[1] FOR 2010 Part III - Reg 11(1D)	
	<p>Establish for a sample of _____ insurance contracts issued during the year whether identification procedures were completed to obtain reasonable satisfaction that every party relevant to the application for insurance, actually exists.</p>	[1] FOR 2010 Part IV - Reg 25	

<sup>20</sup> FOR Part IV Regulation 25(2), where there is a large number of parties to the application, for example, in the case of group life pensions, the requirement of this regulation may be fulfilled by carrying out identification procedures on a limited group only, such as the principal shareholder, or the main directors of a company. Regulation 25(3), Where a transaction involves an insurer and an intermediary, each party shall consider its own position separately to ensure that its own obligations regarding identification and records are duly discharged.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Detection – Know Your Customer (continued)</b>	Establish for a sample of _____ reinsurance contracts during the year whether identification procedures were completed to determine that monies were paid only to bona fide reinsurers.	[1] FOR 2010 Part IV - Reg 26	
	Establish for a sample of _____ claims payments during the year whether the identity of the proposed recipient of the payment was subjected to identification procedures.	[1] FOR 2010 Part IV - Reg 27	
	Establish for a sample of _____ surrenders during the year whether for amounts over ninety-thousand the identity of the customer was verified.	[1] FOR 2010 Part IV - Reg 28	
<b>Evaluation of Suspicious Transactions</b> <sup>21</sup>	Identify whether designated officers had timely and unrestricted access to customer data to enable the timely preparation of AML/ CFT/ CPF related reports. <sup>22</sup>	[1] FOR 2010 Part II - Reg 8(2)	
	Establish for a sample of _____ transactions identified by employees as suspicious during the year whether they were reported to the Compliance Officer internally within a reasonable timeframe (e.g. 24 hours of detection) regardless of the amount.	[1] FOR 2010 Part II - Reg 8(1)	
	Establish for a sample of _____ instances where the business relationships with prospective customers were declined because inadequate identification or documentation was provided whether these transactions were reported to the FIUTT as determined by management.	[1] FOR 2010 Part III - Reg 18	

<sup>21</sup> Auditors to note in completing procedure, we are determining whether information was reported in a timely manner. We are to utilise the reference numbers and validate dates only. No identification information on the suspect/customer should be seen so as to avoid tipping off.

<sup>22</sup> Auditors to include details to support how it was concluded that the CO and ACOs have timely access to data.

## Scope and Approach

Area	Required Procedures	Legislative References	Exceptions (Y/N)?
<b>Record-Keeping to the Financial Intelligence Unit of Trinidad and Tobago<sup>23</sup></b>	Identify whether a register of enquiries <sup>24</sup> made to management by law enforcement authorities or other local or foreign authorities was maintained. The register was kept separate from other records and contained as a minimum the following: <ul style="list-style-type: none"> <li>▪ The date and nature of the enquiry</li> <li>▪ The name and agency of the enquiring officer</li> <li>▪ The powers being exercised</li> </ul>	[1] FOR 2010 Part V - Reg 38	
	Ascertain whether the responses by management to requests made to management by the FIUTT during the year were completed in accordance with the manner prescribed by the FIUTT and were within the timeline specified.	[1] FIUTT Section 27 Part II – Reg 3(2) and Reg 3(3)	
	Identify whether a register of transactions reported to the FIUTT was retained by the Compliance Officer <sup>25</sup> .	[1] FOR 2010 Part V – Record Keeping	
	Ascertain reporting to the FIUTT relevant to the financing of terrorism or proliferation financing matters.	[1] FOR 2010 Part V – Record Keeping [2] ATA 2005 Section 22C	
	Ascertain whether suspicious transactions reported to the FIUTT during the year were reported to the FIUTT within 14 days from the date the transaction was deemed suspicious.	[1] FOR 2010 Part II - Reg 8(1)(c)	

<sup>23</sup> Auditors to note in completing procedure, we are determining whether information was reported in a timely manner. We are to utilise the reference numbers and validate dates only. No identification information on the suspect/customer should be seen so as to avoid tipping off.

<sup>24</sup> Register should not contain the names of the persons/company for which data is being requested. This is to avoid tipping off.

<sup>25</sup> Register of STRs/SARs filed with the FIUTT should only contain the reference numbers of the STR/SAR not the names of the persons/company being filed with the FIUTT. This is to avoid tipping off.

## *Scope and Approach*

<b>Area</b>	<b>Required Procedures</b>	<b>Legislative References</b>	<b>Exceptions (Y/N)?</b>
<b>Record-Keeping to the Financial Intelligence Unit of Trinidad and Tobago</b>	Based on the FIUTT's acknowledgement letters of quarterly reports submitted to the FIUTT during the year, ascertain whether the reports affirming if the financial institution was in possession or control of terrorist property were submitted every three months <sup>26</sup> .	[1] ATA 2005 – Reg 33(3)	

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<sup>26</sup> Only applicable for financial institutions defined under the Proceeds of Crime Act 2000/ Amended 2009 and the Anti-Terrorism Act 2005. Note, FIUTT took an administrative decision to acknowledge quarterly reports every 2 quarters. Therefore Auditors will see that 2 quarterly reports are acknowledged in one letter.

## ***Appendix - Summary of Recommendations***

The recommendations are shown in a tabular format with a ‘traffic light’ graphically illustrating the priority for their resolution as outlined in the Scope and Approach. The items are broadly classified as having red, amber, yellow and green priority. Priorities are based on a high-level assessment of the impact each issue has on the overall control environment.

<b>H</b>	There is a risk that financial loss, non-compliance with regulatory requirements, breach of data confidentiality and/or operational failures could occur as a result of this control deficiency. These items can compromise the system of internal control.
<b>M</b>	A control activity is in place to protect against financial loss, non-compliance with regulatory requirements, and breach of data confidentiality and/or operational failures. However, related control or process should be enhanced to promote the consistent operation, efficiency and cost-effectiveness.
<b>L</b>	This weakness does not detract from the system of internal control and/or operational efficiency but should nevertheless be addressed by management before it becomes a greater threat.



## ***Appendix - Summary of Recommendations***

	<b>Ref</b>	<b>Previously Reported</b>
<b>Policies and Procedures</b>		
Recommendation #1	<b>1</b>	
<b>Detection – Know Your Customer</b>		
Recommendation #2	<b>2</b>	

# ***Appendix: Recommendations***

## **Policies and Procedures**

### **1. Recommendation #1 -**

***The AML/CFT Policy should include all the requirements of the existing AML/CFT legislation and guidelines***

**Observation**

**Implication**

**Recommendation**

**Priority**

**Management Comments**

**Responsibility/ Implementation Date**

# ***Appendix: Recommendations***

## Detection – Know Your Customer

### **2. Recommendation #2 -**

***Management should ensure adherence to the KYC provisions and record-keeping requirements in accordance with the legislation and guidelines***

**Observation**

**Implication**

**Recommendation**

**Priority**

**Management Comments**

**Responsibility/ Implementation Date**