



VANUATU FINANCIAL
= SERVICES COMMISSION =

AML / CTF SELF-ASSESSMENT FORM

(April 2026)

SUPERVISION DEPARTMENT

INSTRUCTIONS ON COMPLETING THE AML / CFT ONSITE ASSESSMENT CHECKLIST

Background	<p>The AML / CFT ONSITE Assessment Checklist is designed to provide a structured and comprehensive framework for VFSC to conduct an onsite AML/CTF review on a licensed corporations (" Licensees") to assess their compliance with key AML / CFT requirements. This template can also be circulated to the Licensed companies ("Licensees") to be used as part of their regular Self-Asseemnt review to monitor their AML/CTF compliance. The frequency and extent of such review should be commensurate with the risks of ML/TF and the size of the firm's business.</p> <p>The AML / CFT Onsite Checklist is neither intended to, nor should be construed as, an exhaustive list of all AML/CTF requirements.</p>
Instructions	<p>VFSC onsite review team can use this a a guide to carry out AML/CTF reviews on licensees, however Licesnees should be able to use the same template to carry out their own self assessment of their internal systems, procedures and controls and should be able to save and print the checklist as required to enable internal review and follow-up.</p> <p>If the Licensees intends to use this template for t heir own self-assessment, the completion of the self-assessment checklist should be organised and directed by the compliance officer having overall responsibility for the establishment and maintenance of the firm's AML/CFT systems who should also approve and sign the completed checklist.</p> <p>Please read each question carefully before answering and use the text box to provide comments where the response to the question requires further elaboration.</p> <p>Each question in the checklist provides a number of response options including 'Yes', 'No', 'Not applicable ("N/A")'.</p> <p>1): When the Licensee confirms the response to be 'Yes' to any of the questions in the tick box, it represents a compliance with the requirement. For some of the questions, further specified information should be given in the text box for a 'Yes' response.</p> <p>2): When the Licensee confirms the response to be 'No' to any of the questions in the tick box, it represents a potential non-compliance with the requirement. If the response to a question is 'No', the Licensee should provide additionally document information on the follwoing:</p> <ul style="list-style-type: none">a) How does the Licensee plans to remediate the potential gap identifiedb) When does the Licensee plansto complete the remediation for any potential gaps identified <p>3): When the Licensee confirms the response to be 'N/A' to any of the questions in the tick box, it represents the requirement is not applicable to the company (Licensee).</p> <p>All terms used in the checklist are, unless otherwise specified, as defined in the AML/CTF Act. " You" or "Your" in this conctect refers to the Licensee (Licesensed entity).</p> <p>Some key terms and abbreviations are provided in the Glossary for easy reference.</p>

VFSC AML / CTF ONSITE REVIEW CHECKLIST

Name of the Licensee	
Checklist completed by (Name)	
Checklist completed by (Position)	
Date of completion	

Question #	Question	Yes	No	N/A	Document where the response to the question requires further elaboration. Additionally document the following details, if the response to any of the question is 'No': 1) How does the Licensee plan to remediate the potential gap identified 2) When does the Licensee plan to complete the remediation for any potential gaps identified
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(A) AML/CFT systems

Licensees are required to assess their ML / TF risk and then implement appropriate internal policies, procedures and controls (hereafter collectively referred to as "AML/CFT systems") to mitigate risks of ML/TF.

A.1	Has the Licensee taken into account the following risk factors when assessing your own ML / TF risk?				
	(a) Product / service risk				
	(b) Delivery / distribution channel risk				
	(c) Customer risk				
	(d) Country risk				

Licensees are required to have effective controls to ensure proper implementation of AML/CFT policies and procedures.

Procedures

A.2	Does your AML/CFT systems cover the following controls?				
	(a) Senior management oversight				
	(i) Is your senior management satisfied with the current AML/CFT system's capability of addressing the ML/TF risks identified?				
	(ii) Have you appointed an appropriate staff as a Compliance Officer ("CO") or a Money Laundering Reporting Officer ("MLRO")?				
	(iii) Do you ensure that the CO or the MLRO is:				
	1. the focal point for the oversight of all activities relating to the prevention and detection of ML/TF?				
	2. independent of all operational and business functions as far as practicable within any constraint of size of your firm?				
	3. normally based in Vanuatu?				
	4. of a sufficient level of seniority and authority within your institution?				
	5. provided with regular contact with and direct access to senior management to ensure that senior management is able to satisfy itself that the statutory obligations are being met and the measures against the risks of ML/TF is sufficient and robust?				
	6. fully understand the statutory and regulatory requirements and ML/TF risks arising from your business ?				
	7. capable of accessing on a timely basis all required available information to undertake his/her role?				
	8. equipped with sufficient resources, including staff and appropriate cover in their absence (e.g. appoint an alternate or deputy CO with the same status)?				
	9. overseeing your firm's compliance with the relevant AM/CTF Act requirements in Vanuatu and overseas branches and subsidiaries?				
	(b) Compliance and audit function				
	(i) Have you established a compliance and audit function which should be independent of all operational and				
	(ii) If yes, does the function regularly review the AML/CFT systems to ensure effectiveness?				
	(iii) If appropriate, have you sought review assistance from external sources regarding your AML/CFT systems?				
	(c) Staff screening				
	(i) Do you establish, maintain and operate appropriate procedures in order to be satisfied of the integrity of any new employees?				

Licensees with overseas branches or subsidiary undertakings should put in place a group AML/CFT policy to ensure an overall compliance with the CDD and record-keeping requirements.

A.3	Does your firm have overseas branches and subsidiary undertakings? If you do not have overseas branches and subsidiaries, please confirm an N/A response and are not required to complete questions A.4 and A.5 below and proceed to the questions in Section B "Risk-Based Approach".				
A.4	Do you have a group AML/CFT policy to ensure that all overseas branches and subsidiary undertakings have procedures in place to comply with the CDD and record-keeping requirements similar to those set under the AML/CTF Act to the extent permitted by the local law? If yes, is such policy well communicated within your group?				
A.5	In the case where your overseas branches or subsidiary undertakings are unable to comply with the above mentioned policy due to local laws' restrictions, have you done the following? (a) inform the VFSC of such failure (b) take additional measures to effectively mitigate ML/TF risks faced by them?				

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(B) Risk-Based Approach ("RBA")

Licensees are required to determine the extent of CDD measures and ongoing monitoring, using an RBA depending upon the background of the customer and the product, transaction or service used by that customer.

B.1	Does your RBA identify and categorize ML/TF risks at the customer level and establish reasonable measures based on risks identified?				
B.2	Do you consider the following risk factors when determining the ML/TF risk rating of customers?				
	(a) Country risk - customers with residence in or connection with the below high-risk jurisdictions				
	(i) countries identified by the FATF as jurisdictions with strategic AML/CFT deficiencies				
	(ii) countries subject to sanctions, embargos or similar measures issued by international authorities (e.g. the UN)				
	(iii) countries which are vulnerable to corruption?				
	(iv) countries that are believed to have strong links to terrorist activities?				
	(b) Customer risk - customers with the below nature or behaviour might present a higher ML/TF risk				
	(i) the public profile of the customer indicating involvement with, or connection to, politically exposed persons ("PEPs")				
	(ii) complexity of the relationship, including use of corporate structures, trusts and the use of nominee where there is no legitimate commercial rationale?				
	(iii) request to use numbered accounts or undue levels of secrecy with a transaction?				
	(iv) involvement in cash-intensive businesses?				
	(v) nature, scope and location of business activities generating the funds/assets, having regard to sensitive or high-risk activities?				
	(vi) the origin of wealth (for high risk customers and PEPs) or ownership cannot be easily verified?				
	(c) Product/service risk - product/service with the below factors might present a higher risk				
	(i) services that inherently have provided more anonymity?				
	(ii) ability to pool underlying customers/funds?				
	(d) Distribution/delivery channels				
	(i) a non-face-to-face account opening approach is used				
	(ii) Business sold through third party agencies or intermediaries				
B.3	Do you adjust your risk assessment of customers from time to time or based upon information received from a competent authority, and review the extent of the CDD and ongoing monitoring to be applied?				
B.4	Do you maintain all records and relevant documents of the above risk assessment mentioned in B.1 to B.3?				
	If yes, are they able to demonstrate to the VFSC the following:				
	(a) how you assess the customer				
	(b) the extent of CDD and ongoing monitoring is appropriate based on that customer's ML/TF risk				

(C) - Customer Due Diligence ("CDD")

Licensees are required to carry out CDDs, which is a vital tool for recognising whether there are grounds for knowledge or suspicion of ML/TF.

	(a) identify the customer and verify the customer's identity using reliable, independent source documents, data or information?				
	(b) where there is a beneficial owner in relation to the customer, identify and take reasonable measures to verify the beneficial owner's identity, including in the case of a legal person or trust, measures to enable you to understand the ownership and control structure of the legal person or trust?				
	(c) obtain information on the purpose and intended nature of the business relationship established with you unless the purpose and intended nature are obvious?				

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	(d) if a person purports to act on behalf of the customer:				
C.2	(i) identify the person and take reasonable measures to verify the person's identity using reliable and independent source documents, data or information?				
	(ii) verify the person's authority to act on behalf of the customer (e.g. written authority, board resolution)?				
	Do you apply CDD requirements in the following conditions?				
	(a) at the outset of a business relationship?				
	(b) when you suspect that a customer or a customer's account is involved in ML/TF?				
	(c) when you doubt the veracity or adequacy of any information previously obtained for the purpose of identifying the customer or for the purpose of verifying the customer's identity?				

Licensee are required to identify and take reasonable measures to verify the identity of a beneficial owner.

C.3	When an individual is identified as a beneficial owner, do you obtain the following identification information?				
	(a) Full name				
	(b) Date of birth				
	(c) Nationality				
	(d) Identity document type and number				
C.4	Do you verify the identity of beneficial owner(s) with reasonable measures, based on its assessment of the ML/TF risks, so that you know who the beneficial owner(s) is?				
	If yes, are the following guidelines followed:				
	(a) identify all beneficial owners of a customer				
	(b) take reasonable measures to verify the identity of any beneficial owners owning or controlling 25% or more of the voting rights or shares, etc, of a corporation, partnership or trust.				
	(c) In assessed high risk situations or customers, the above threshold reduced to verifying the identity of 10%				
	(d) obtain the residential address (and permanent address if different) of the beneficial owners and adopt a RBA to determine the need to verify the address?				

Licensees are required to identify and take reasonable measures to verify the identity of a person who purports to act on behalf of the customer and is authorized to give instructions for the movement of funds or assets.

C.5	When a person purports to act on behalf of the customer and is authorized to give instructions for the movement of funds or assets, do you obtain the same set of identification information as listed in question C.3 above and take reasonable measures to verify the information obtained?				
C.6	Do you obtain the written authority to verify that the individual purporting to represent the customer is authorized to do so?				
C.7	Do you use a streamlined approach on occasions where difficulties have been encountered in identifying and verifying signatories of individuals being represented (for e.g. customers with long list of account signatories or based outside Vanuatu) to comply with the CDD requirements?				
	If you do not use a streamlined approach, please confirm an N/A response and proceed to question C.8.				
	If yes, do you perform the following:				
	(a) adopt an RBA to assess whether the customer is a low risk customer and that the streamlined approach is only applicable to these low risk customers				
	(b) obtain a signatory list, recording the names of the account signatories, whose identities and authority to act have been confirmed by a department or person within that customer which is independent to the persons whose identities are being verified				

Licensees are required to take appropriate steps to verify the genuineness of identification provided if suspicions are raised.

C.8	In case of suspicions raised in relation to any document in performing CDD, have you taken practical and proportionate steps to establish whether the document offered is genuine, or has been reported as lost or stolen? (e.g. search publicly available information, approach relevant authorities)				
C.9	Have you rejected any documents provided during CDD and considered making a report to the authorities (e.g. FIU, police) where suspicion on the genuineness of the information cannot be eliminated?				

Licensees are required to understand the purpose and intended nature of the business relationship established.

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C.10	Unless the purpose and intended nature are obvious, have you obtained satisfactory information from all new customers (including non-residents) as to the intended purpose and reason for opening the account or establishing the business relationship, and record the information on the relevant account opening documentation?				

Licensees are required to complete the CDD before establishing business relationships.

C.11	Do you always complete CDD process before establishing business relationships? If you always complete CDD process before establishing a business relationship, complete questions C.12 and then proceed to C.16 below. Otherwise, please confirm an N/A response and complete C.12 to C.15 before proceeding to C.16.				
C.12	If you are unable to complete the CDD process, do you ensure that the relevant business relationships must not be established and assess whether this failure provides grounds for knowledge or suspicion of ML/TF to submit a report to the FIU as appropriate?				
C.13	If the CDD process is not completed before establishing a business relationship, would these be on an exception basis only and with consideration of the following: (a) any risk of ML/TF arising from the delayed verification of the customer's or beneficial owner's identity can be effectively managed. (b) it is necessary not to interrupt the normal course of business with the customer (e.g. securities transactions). (c) verification is completed as soon as reasonably practicable. (d) the business relationship will be terminated if verification cannot be completed as soon as reasonably practicable.				
C.14	Have you adopted appropriate risk management policies and procedures when a customer is permitted to enter into a business relationship prior to verification? If yes, do they include the following? (a) establishing timeframes for the completion of the identity verification measures and that it is carried out as soon as reasonably practicable (b) placing appropriate limits on the number of transactions and type of transactions that can be undertaken pending verification (c) ensuring that funds are not paid out to any third party (d) other relevant policies and procedures, please further elaborate in the text box				
C.15	When terminating a business relationship where funds or other assets have been received, have you returned the funds or assets to the source (where possible) from which they were received?				

Licensees are required to keep the customer information up-to-date and relevant.

C.16	Do you undertake reviews of existing records of customers to ensure that the information obtained for the purposes of complying with the AML/CTF Act requirements are up-to-date and relevant when one of the following trigger events happen? (a) when a significant transaction is to take place (not necessarily linked to monetary value, but also unusual transactions or not in line with the Licensees knowledge of the customer) (b) when a material change occurs in the way the customer's account is operated (c) when your customer documentation standards change substantially (d) when you are aware that you lack sufficient information about the customer concerned (e) if there are other trigger events that you consider and defined in your policies and procedures, please elaborate further in the text box				
C.17	Are all high-risk customers subject to a minimum of an annual review of their profile?				

Licensees are required to identify and verify the true and full identity of each natural person by using reliable and independent sources of information.

C.18	Do you have customers which are natural persons? If you do not have any customers which are natural persons, please confirm an N/A response and proceed to question C.25.				
C.19	Do you collect the same set of identification information as listed in question C.3 for personal customers?				
C.20	Are the following documents obtained for verification purpose relating to Vanuatu residents/ Non Residents? (a) Permanent residents address (i) the individual's identity card (b) For children under the age of 18 without a valid travel document or Vanuatu ID				

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		(i) their birth certificate				
		(ii) identification document of the minor's parent or guardian representing or accompanying the minor				
		(c) non-permanent residents (at least one of the following)				
		(i) the "bio data" page, containing the bearer's photograph and biographical details, in a valid				
		(ii) (where ID is provided by the customer) a relevant national identity card or Passport bearing the individual's photograph OR				
		(iii) (where ID is provided by the customer) any government or state-issued document which certifies nationality				
		If yes, please document your choice of the above options in the text box.				
	C.21	Are the following documents obtained for verification purpose for non-residents of Vanuatu?				
		(a) non-residents who are physically present				
		(i) the "bio data" page, containing the bearer's photograph and biographical details, in a valid travel document				
		(b) non-residents who are not physically present (at least one of the following)				
		(i) the "bio data" page, containing the bearer's photograph and biographical details, in a valid travel document OR				
		(ii) a relevant national identity card bearing the individual's photograph OR				
		(iii) a valid national driving license bearing the individual's photograph OR				
		(iv) any applicable alternatives, please further elaborate in the text box				
		If yes, please document your choice of the above options in the text box.				
	C.22	Do you obtain and verify the residential address (and permanent address if different) of a direct customer?				
		If yes, please provide a list of acceptable documents that you obtain for verifying residential address (e.g. utility bills or bank statement)				
	C.23	In cases where customers may not be able to produce verified evidence of residential address have you adopted alternative methods and applied these on a risk sensitive basis?				
	C.24	Do you require additional identity information to be provided or verify additional aspects of identity if the customer, or the product or service, is assessed to present a higher ML/TF risk? If yes, please specify in the text box what additional information documents are required and verification is performed				

Licensees are required to identify and verify the true and full identity of each legal person and trust and its beneficial owners by using reliable and independent sources of information.

Corporation

	C.25	Do you have measures to look behind each legal person or trust to identify those who have ultimate control or ultimate beneficial ownership over the business and the customer's assets?				
	C.26	Do you fully understand the customer's legal form, structure and ownership, and obtain information on the nature of its business, and reasons for seeking the product or service when the reasons are not obvious?				
	C.27	Do you have customers which are corporations? If you do not have any customers which are corporations, please confirm an N/A response and proceed to question C.31.				
	C.28	Do you obtain the following information and verification documents in relation to a customer which is a corporation?				
		(a) full name				
		(b) date and place of incorporation				
		(c) registration or incorporation number				
		(d) registered office address in the place of incorporation				
		(e) a copy of Certificate of Incorporation and Business Registration Certificate (where applicable)				
		(f) a copy of the company's memorandum and articles of association which evidence the powers that regulate and bind the company				
		(g) details of the ownership and structure control of the company (including taking reasonable measures to verify beneficial owners controlling 25% or more of the company, or if assessed as high risk, beneficial owners controlling 10% or more)				

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		(h) records (e.g. obtained through public registries) of the names of all directors and verification of the identity of directors on a RBA				
		(i) a confirmation on the company is still registered and has not been dissolved, wound up, suspended or struck off				
		(j) document to independently identify and verify the names of the directors and shareholders recorded in the company registry in the place of incorporation				
		(k) document to verify the company's registered office address in the place of incorporation				
		(l) for a locally incorporated company				
		(i) a search of file at the VFSC Registry and obtain a company report (issued within the last 6 months)				
		(m) one of the following for a company incorporated overseas				
		(i) a similar company search enquiry of the registry in the place of incorporation and obtain a company report (issued within the last 6 months); OR				
		(ii) a certificate of incumbency or equivalent issued by the company's registered agent in the place of incorporation (issued within the last 6 months); OR				
		(iii) a similar or comparable document to a company search report or a certificate of incumbency certified by a professional third party in the relevant jurisdiction				
		If yes, please document your choice of the above options in the text box.				
	C.29	For companies with multiple layers in their ownership structures, do you have an understanding of the ownership and control structure of the company and fully identify the intermediate layers of the company?				
	C.30	Do you take further measures, when the ownership structure of the company is dispersed/complex/multi-layered without an obvious commercial purpose, to verify the identity of the ultimate beneficial owners? If yes, please specify what further steps are performed and elaborate in the text box				

Partnerships and unincorporated bodies

	C.31	Do you have customers which are partnerships or unincorporated bodies? If you do not have any customers which are partnerships or unincorporated bodies, please confirm an N/A response and proceed to question C.34.				
	C.32	Do you take reasonable measures to verify the identity of the beneficial owners of the partnerships or unincorporated bodies?				
	C.33	Do you obtain the following information and verification documents in relation to the partnership or unincorporated body?				
		(a) full legal name				
		(b) the business address				
		(c) the names of all partners and individuals who exercise control over the management of the partnership or unincorporated body, and names of individuals who own or control not less than 10% of its capital or profits, or of its voting rights				
		(d) a mandate from the partnership authorizing the opening of an account and conferring authority on those who will operate it (where a partnership arrangement exists)				
		(e) confirmation of the customer's membership of a relevant professional or trade association (if a well-known, reputable organisation in its industry)				
		(f) the partnership deed (or other evidence in the case of sole traders or other unincorporated bodies)				
		(g) the legitimate purpose of the organisation (in the case of associations, clubs, charities, etc.)				

Trusts

	C.34	Do you have customers which are in the form of trusts? If you do not have any customers which are in the form of trusts, please confirm an N/A response and proceed to question C.37.				
	C.35	Do you obtain the following information and verification documents to verify the existence, legal form and parties to a trust?				
		(a) the name of the trust				
		(b) date of establishment/settlement				
		(c) the jurisdiction whose laws govern the arrangement, as set out in the trust instrument				
		(d) the identification number (if any) granted by any applicable official bodies				
		(e) identification information of trustee(s) (as listed in questions C.3 and C.28 (a) to (d) above)				
		(f) identification information of settlor(s) and any protector(s) or enforcers (as listed in questions C.3 and C.28 (a) to (d) above)				
		(g) identification information of known beneficiaries (as listed in question C.3 above)				

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C.36	(h) one of the following to verify the existence, legal form and parties to a trust:				
	(i) reviewing a copy of the trust instrument and retaining a redacted copy OR				
	(ii) reference to an appropriate register in the relevant country of establishment OR				
	(iii) a written confirmation from a trustee acting in a professional capacity OR				
	(iv) a written confirmation from a lawyer who has reviewed the relevant instrument OR				
	(v) a written confirmation from its trust subsidiaries (or trust affiliate companies) for trusts that are managed by the trust companies which are subsidiaries (or affiliate companies) of your institution If yes, please document your choice of the above options in the text box.				
	Have you taken particular care in relation to trusts created in jurisdictions where there is no money laundering legislation? If yes, please elaborate further what additional procedures are performed in the text box				

Licensees may conduct simplified customer due diligence ("SDD") instead of full CDD measures given reasonable grounds to support it.

C.37	Have you conducted SDD instead of full CDD measures for your customers? If you have not conducted any SDDs for your customers, please confirm an N/A response and proceed to question C.40.				
C.38	Do you refrain from applying SDD when you suspect that the customer, the customer's account or the transaction is involved in ML/TF, or when you doubt the veracity or adequacy of any information previously obtained for the purpose of identifying or verifying the customer?				
C.39	Before the application of SDD on any of the customer categories in C.39.1 to C.39.7 below, have you performed checking on whether they meet the criteria of the respective category as below?				

Financial Institution as defined in the AML/CTF Act

C.39.1	It is an FI as defined in the AML/CTF Act with the following situations:				
	(a) opens an account / business relationship in its own name				
	(b) opens an account / Business relationship not in its own name but satisfies the following:				
	(i) in the name of a nominee company for holding fund units on behalf of a FI customer or its underlying customers				
	(ii) in the name of an investment vehicle in the capacity of a service provider (such as manager or custodian) to the investment vehicle and the underlying investors have no control over the management of the investment vehicle's assets				
	(iii) provided that the abovementioned FI customer:				
	1. has conducted CDD in the case of (i) above on its underlying customers and (ii) above on the investment vehicle				
	2. is authorized to operate the account as evidenced by contractual document or agreement				

Foreign FI

C.39.2	It is an institution that opens an account in its own name and satisfies all criteria below:				
	(i) is incorporated or established in an equivalent jurisdiction				
	(ii) carries on a business similar to that carried on by an FI				
	(iii) has measures in place to ensure compliance with requirements similar to those imposed under AML/CTF Act				
	(iv) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the relevant authorities				

Listed company

C.39.3	It is a listed company on any stock exchange				
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Investment vehicle

C.39.4	It is an investment vehicle where the person responsible for carrying out measures that are similar to the CDD measures in relation to all the investors of the investment vehicle is:				
	(a) an FI as defined in the AML/CTF Act				
	(b) an institution incorporated or established in Vanuatu, or in an equivalent jurisdiction that satisfies all criteria below:				

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	(i) has measures in place to ensure compliance with requirements similar to those imposed under the AML/CTF Act AND (ii) is supervised for compliance with those requirements				
	In respect of an investment vehicle customer, if the person responsible for carrying out CDD measures (e.g. investment vehicle itself or appointed institutions) does not fall within any of the categories of institution set out in (a) and (b) above, do you identify any investor owning or controlling not less than 10% interest of the investment vehicle and take reasonable measures to verify the identities of those owning or controlling more than 25% interest?				

Government and public body

C.39.5	It is the Government or any public body in Vanuatu? It is the Government of an equivalent jurisdiction or a body in an equivalent jurisdiction that performs functions similar to those of a public body?				
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Specific products

C.39.6	The transaction conducted by the customer relates to any one of the following products: (a) a provident, pension, retirement or superannuation scheme that provides retirement benefits to employees, where contributions to the scheme are made by way of deduction from income from employment and the scheme rules do not permit the assignment of a member's interest under the scheme (b) an insurance policy for the purposes of a provident, pension, retirement or superannuation scheme that does not contain a surrender clause and cannot be used as a collateral (c) a life insurance policy in respect of which: OR (i) an annual premium of no more than USD\$8,000 or an equivalent amount in any other currency is payable (ii) a single premium of no more than USD\$20,000 or an equivalent amount in any other currency is payable				
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Solicitor's client account

C.39.7	It is a client account of a solicitor or a firm of solicitors (referred as "the customer" below) which satisfies all the following criteria: (a) the client account is kept in the name of the customer (b) moneys or securities of the customer's clients in the client account are mingled (c) the client account is managed by the customer as those clients' agent				
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Licensees are required, in any situation that by its nature presents a higher risk of ML/TF, to take additional measures to mitigate the risk of ML/TF.

C.40	Do you take additional measures or enhanced due diligence ("EDD") when the customer presents a higher risk of ML/TF? If yes, do they include the following? (a) obtaining additional information on the customer and updating more regularly the customer profile including the identification data? (b) obtaining additional information on the intended nature of the business relationship, the source of wealth and source of funds? (c) obtaining the approval of senior management to commence or continue the relationship? (d) conducting enhanced monitoring of the business relationship, by increasing the number and timing of the controls applied and selecting patterns of transactions that need further examination?				
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Licensees are required to apply equally effective customer identification procedures and ongoing monitoring standards for customers not physically present for identification purposes as for those where the customer is available for interview.

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C.41	Do you accept customers that are not physically present for identification purposes to open an account/business relationship? If you do not accept customers that are not physically present at account opening, please confirm an N/A response and proceed to question C.43.				
	If yes, have you taken additional measures to compensate for any risk associated with customers not physically present (i.e. face to face) for identification purposes?				
	If yes, do they include at least one of the following?				
	(a) further verifying the customer's identity on the basis of documents, data or information?				
	(b) taking supplementary measures to verify all the information provided by the customer?				
	(c) ensuring that the first payment made into the customer's account is received from an account in the customer's name with an authorized institution or a bank operating in an equivalent jurisdiction that has measures in place to ensure compliance with requirements similar to those imposed under AML/CTF Act and is supervised for compliance with those requirements by a banking regulator in that jurisdiction?				
	If yes, please document your choice of the above options in the text box.				
C.42	In taking risk mitigation measures in this regard, have you also made reference to the relevant provisions in the Code of Conduct for Persons Licensed by or Registered with the VFSC concerning non-face to face account opening procedures?				

Licensees are required to determine whether a potential customer, a customer or the beneficial owner is a politically exposed person ("PEP") and to adopt EDD on PEPs.

C.43	Do you define what a PEP (foreign and domestic) is in your AML/CFT policies and procedures?				
C.44	Have you established and maintained effective procedures for determining whether a customer or a beneficial owner of a customer is a PEP (foreign and domestic)?				
	If yes, is screening and searches performed to determine if a customer or a beneficial owner of a customer is a PEP? (e.g. through commercially available databases, publicly available sources and internet / media searches etc)				

Foreign PEPs

C.45	Do you conduct EDD at the outset of the business relationship and ongoing monitoring when a foreign PEP is identified or suspected?				
C.46	Have you applied the following EDD measures when you know that a particular customer or beneficial owner is a foreign PEP (for both existing and new business relationships)?				
	(a) obtaining approval from your senior management?				
	(b) taking reasonable measures to establish the customer's or the beneficial owner's source of wealth and the source of the funds?				
	(c) applying enhanced monitoring to the relationship in accordance with the assessed risks?				

Domestic PEPs

C.47	Have you performed a risk assessment for an individual known to be a domestic PEP to determine whether the individual poses a higher risk of ML/TF?				
	If yes and the domestic PEP poses a higher ML/TF risk, have you applied EDD and monitoring specified in question C.40 above?				
	If yes, have you retained a copy of the assessment for related authorities, other authorities and auditors and reviewed the assessment whenever concerns as to the activities of the individual arise?				
C.48	For foreign and domestic PEPs assessed to present a higher risk, are they subject to a minimum of an annual review and ensure the CDD information remains up-to-date and relevant?				

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Bearer shares, are prohibited and Licensees should take appropriate measures to ensure that they are not been used for any purposes.

C.49	For corporate customers, do you obtain and request the memorandum and articles of association to ascertain whether the company has the capacity to issue such bearer shares?				
C.50	If in the case of companies with capital that appears in the form of bearer shares, do you have procedures to confirm the identities of the holders and beneficial owners of such shares and ensure that you notify the VFSC?				
C.51	Have you sought independent evidence where bearer shares have been deposited with an authorized / registered custodian? If yes, have you performed an ongoing periodic review for it?				
C.52	In the case where the bearer shares are not deposited with an authorized / registered custodian, do you have procedures to obtain declarations prior to account opening and annually thereafter from each beneficial owner holding 10% or more of the share capital?				

Licensees are required to pay attention to jurisdictions that do not or insufficiently apply the FATF recommendations or otherwise posing higher risk.

C.53	Do you pay particular attention to, and exercise extra care in respect of: (a) business relationships and transactions with persons (including legal persons and other FIs) from or in jurisdictions that do not or insufficiently apply the FATF Recommendations? (b) transactions and business connected with jurisdictions assessed as higher risk?				
	If yes, have you also performed the following due diligence procedures for such customers: (a) ascertain and document the business rationale for establishing a relationship? (b) take reasonable measures to establish the source of funds?				

Licensees have the ultimate responsibility for ensuring CDD requirements are met, even intermediaries were used to perform any part of the CDD measures.

C.54	Have you used any intermediaries to perform any part of your CDD measures? If you have not used any intermediaries, please confirm an N/A response and proceed to question C.64.				
C.55	When intermediaries (not including those in contractual arrangements with the Licensee to carry out its CDD function or business relationships, accounts or transactions (between the Licensee for their clients) are relied on to perform any part of the CDD measures, do you obtain written confirmation from the intermediaries that: (a) they agree to perform the role (b) they will provide without delay a copy of any document or record obtained in the course of carrying out the CDD measures on behalf of you upon request.				
C.56	Do you consider the eligibility of the intermediaries? If yes, are the eligible intermediaries one of the following below: (a) for domestic intermediaries an authorized institution, a licensed corporation, an authorized insurer, an appointed insurance agent, or an authorized insurance broker (b) a solicitor practising in Vanuatu (c) a certified public accountant practising in Vanuatu (d) a CTSP licensed under the CTSP Act and carrying on business in Vanuatu (e) an overseas institution that carries on a business similar to that carried on by an FI mentioned in part (a) above in an equivalent jurisdiction (f) a lawyer or a notary public in an equivalent jurisdiction (g) an auditor, a professional accountant, or a tax advisor in an equivalent jurisdiction (h) a trust or company service provider in an equivalent jurisdiction (i) a trust company carrying on trust business in an equivalent jurisdiction If yes, please document your choice of the above options in the text box.				

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C.57	When you use an intermediary, are you satisfied that it has adequate procedures in place to prevent ML/TF?				
C.58	When you use overseas intermediaries, are you satisfied that it: (a) is required under the law of the jurisdiction concerned to be registered or licensed or is regulated under the law of that jurisdiction (b) has measures in place to ensure compliance with requirements similar to those imposed under the AML/CTF Act (c) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the relevant authorities in Vanuatu				
C.59	In order to ensure the compliance with the requirements set out above for both domestic or overseas intermediaries (question C.56), do you take the following measures? (a) review the intermediary's AML/CTF policies and procedures (b) make enquiries concerning the intermediary's stature and regulatory track record and the extent to which any group's AML/CTF standards are applied and audited				
C.60	Do you immediately (with no delay) obtain from intermediaries the data or information that the intermediaries obtained in the course of carrying out the CDD measures?				
C.61	If the CDD related documents and records are kept by intermediaries, do you: (a) obtain an undertaking from intermediaries to keep all underlying CDD information throughout the continuance of your business relationship with the customer and for at least six years beginning on the date on which the business relationship of a customer with you ends or until such time as may be specified by the related authorities? (b) obtain an undertaking from the intermediary to supply copies of all underlying CDD information in circumstances where the intermediary is about to cease trading or does not act as an intermediary for you anymore?				
C.62	Do you conduct sample tests from time to time to ensure CDD information and documentation is produced by the intermediary upon demand and without undue delay?				
C.63	Have you taken reasonable steps to review intermediaries' ability to perform its CDD whenever you have doubts as to the reliability of intermediaries?				

Licensees are required to perform CDD measures on pre-existing customers when trigger events occur.

C.64	Have you performed CDD measures on your pre-existing customers when one of the following trigger events happens? (a) a transaction takes place with regard to the customer, which is, by virtue of the amount or nature of the transaction, unusual or suspicious; or is inconsistent with your knowledge of the customer or the customer's business or risk profile, or with your knowledge of the source of the customer's funds (b) a material change occurs in the way in which the customer's account is operated (c) you suspect that the customer or the customer's account is involved in ML/TF (d) you doubt the veracity or adequacy of any information previously obtained for the purpose of identifying and verifying the customer's identity? (e) if there are other trigger events that you consider and defined in your policies and procedures, please elaborate further in the text box				
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Licensees are not allowed to maintain anonymous accounts or accounts in fictitious names for any new or existing customers.

C.65	Do you refrain from maintaining (for any customer) anonymous accounts or accounts in fictitious names?				
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Licensees are required to assess and determine jurisdictional equivalence as this is an important aspect in the application of CDD

C.66	When you do your documentation for assessment or determination of jurisdictional equivalence, do you take the following measures? (a) make reference to up-to-date and relevant information (b) retain such record for regulatory scrutiny				
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(c) periodically review to ensure it remains up-to-date and valid

(D) - Ongoing monitoring

Licensees are required to perform effective ongoing monitoring for understanding customer's activities and it helps the firm to know the customers and to detect unusual or suspicious activities.

D.1	Do you continuously monitor your business relationship with a customer by:				
	(a) monitoring the activities (including cash and non-cash transactions) of the customer to ensure that they are consistent with the nature of business, the risk profile and source of funds?				
	(b) identifying transactions that are complex, large or unusual or patterns of transactions that have no apparent economic or lawful purpose and which may indicate ML/TF?				
D.2	Do you monitor the following characteristics relating to your customer's activities and transactions?				
	(a) the nature and type of transaction (e.g. abnormal size or frequency)				
	(b) the nature of a series of transactions (e.g. a number of cash deposits)				
	(c) the amount of any transactions, paying particular attention to substantial transactions				
	(d) the geographical origin/destination of a payment or receipt				
	(e) the customer's normal activity or turnover				
	(f) if you identify and monitor other characteristics relating to the customer, please specify and further elaborate in the text box				
D.3	Do you regularly identify if the basis of the business relationship changes for customers when the following occur?				
	(a) new products or services that pose higher risk are entered into				
	(b) new corporate or trust structures are created				
	(c) the stated activity or turnover of a customer changes or increases				
	(d) the nature of transactions change or the volume or size increases				
	(e) if there are other situations, please specify and further elaborate in the text box				
D.4	In the case where the basis of a business relationship changes significantly, do you carry out further CDD procedures to ensure that the ML/TF risk and basis of the relationship are fully understood?				
D.5	Have you established procedures to conduct a review of a business relationship upon the filing of a report to the FIU and do you update the CDD information thereafter?				

Licensees are required to link the extent of ongoing monitoring to the risk profile of the customer determined through RBA.

D.6	Have you taken additional measures with identified high risk business relationships (including PEPs) in the form of more intensive and frequent monitoring?				
	If yes, have you considered the following:				
	(a) whether adequate procedures or management information systems are in place to provide relevant staff with timely information that might include any information on any connected accounts or relationships				
	(b) how to monitor the sources of funds, wealth and income for higher risk customers and how any changes in circumstances will be recorded				
D.7	Do you take into account the following factors when considering the best measures to monitor customer transactions and activities?				
	(a) the size and complexity of its business				
	(b) assessment of the ML/TF risks arising from its business				
	(c) the nature of its systems and controls				
	(d) the monitoring procedures that already exist to satisfy other business needs				
	(e) the nature of the products and services (including the means of delivery or communication)				
D.8	In the case where transactions are complex, large or unusual, or patterns of transactions which have no apparent economic or lawful purpose are noted, do you examine the background and purpose, including where appropriate the circumstances of the transactions?				
	If yes, are the findings and outcomes of these examinations properly documented in writing and readily available for the VFSC, competent authorities and auditors?				
D.9	In the case where you have been unable to satisfy that any cash transaction or third party transfer proposed by customers is reasonable and therefore consider it suspicious, do you make a suspicious transaction report to the FIU?				

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(E) - Financial sanctions and terrorist financing

Licensees have to be aware of the scope and focus of relevant financial/trade sanctions regimes.

E.1	Do you have procedures and controls in place to:				
	(a) ensure that no payments to or from a person on a sanctions list that may affect your operations is made? (b) screen payment instructions to ensure that proposed payments to designated parties under applicable laws and regulations are not made?				
E.2	If yes, does this include:				
	(a) drawing reference from a number of sources (including relevant overseas authorities) to ensure that you have appropriate systems to conduct checks against relevant lists for screening purposes (b) procedures to ensure that the sanctions list used for screening are up to date?				
	Do you take the following measures to ensure compliance with relevant regulations and legislation on TF?				
	(a) understand the legal obligations of your institution and establish relevant policies and procedures (b) ensure relevant legal obligations are well understood by staff and adequate guidance and training are provided? (c) ensure the systems and mechanisms for identification of suspicious transactions cover TF as well as ML?				
E.3	Do you maintain a database (internal or through a third party service provider) of names and particulars of terrorist suspects and designated parties which consolidates the various lists that have been made known to it?				
	If yes, have you also taken the following measures in maintaining the database?				
	(a) ensure that the relevant designations are included in the database, particularly including the lists published and designated under the US Executive Order 13224. <i>Note: The US Executive Order 13224 is signed into law in the US as a response to the 911 attacks.</i> (b) the database is subject to timely update whenever there are changes? (c) the database is made easily accessible by staff for the purpose of identifying suspicious transactions?				
E.4	Do you perform comprehensive screening of your complete customer base to prevent TF and sanction violations?				
	If yes, does it include the following?				
	(a) screening customers against current terrorist and sanction designations at the establishment of the relationship? (b) screening against your entire client base, as soon as practicable after new terrorist and sanction designation are published by the FIU?				
E.5	Do you conduct enhanced checks before establishing a business relationship or processing a transaction if there are circumstances giving rise to a TF suspicion?				
E.6	Do you document or record electronically the results related to the comprehensive ongoing screening, payment screening and enhanced checks if performed?				
E.7	Do you have procedures to file reports to the FIU if you suspect that a transaction is terrorist-related, even if there is no evidence of a direct terrorist connection?				

(F) - Suspicious Transaction reports

Licensees are required to adopt on-going monitoring procedures to identify suspicious transactions for the reporting of funds or property known or suspected to be proceeds of crime or terrorist activity to the FIU.

F.1	Do you have policy or system in place to make disclosures/suspicious transaction reports with the FIU?				
F.2	When filing a report to the FIU after a suspicion was first identified, do you ensure that the report is made either before you undertake the disclosed acts (transactions) or as soon as it is reasonably practical for you to do so?				
F.3	Do you apply the following principles once knowledge or suspicion has been formed:				
	(a) in the event of suspicion of ML/TF, a disclosure is made even where no transaction has been conducted by or through your institution?				

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		(b) internal controls and systems are in place to prevent any directors, officers and employees, especially those making enquiry with customers or performing additional or enhanced CDD process, committing the offence of tipping off the customer or any other person who is the subject of the disclosure?				
	F.4	Do you provide sufficient guidance to your staff to enable them to form a suspicion or to recognise when ML/TF is taking place?				
		If yes, do you provide guidance to staff on identifying suspicious activity taking into account the following:				
		(a) the nature of the transactions and instructions that staff is likely to encounter				
		(b) the type of product or service				
		(c) the means of delivery				
	F.5	Do you ensure staff are aware and alert of the following situations / scenarios and consider them in certain circumstances to possibly give rise to suspicion?				
		(a) transactions or instructions which have no apparent legitimate purpose and/or appear not to have a commercial rationale				
		(b) transactions, instructions or activity that involve apparently unnecessary complexity or which do not constitute the most logical, convenient or secure way to do business				
		(c) where the transaction being requested by the customer, without reasonable explanation, is out of the ordinary range of services normally requested, or is outside the experience of the financial services business in relation to the particular customer				
		(d) where without reasonable explanation, the size of pattern of transactions is out of line with any pattern that has previously emerged				
		(e) where the customer refuses to provide the information requested without reasonable explanation or who otherwise refuses to cooperate with the CDD and/or ongoing monitoring process				
		(f) where a customer who has entered into a business relationship uses the relationship for a single transaction or for only a very short period without a reasonable explanation				
		(g) the extensive use of trusts or offshore structures in circumstances where the customer's needs are inconsistent with the use of such services				
		(h) transfers to and from high risk jurisdictions without reasonable explanation, which are not consistent with the customer's declared business dealings or interests				
		(i) unnecessary routing of funds or other property from/to third parties or through third party accounts				
	F.6	Do you ensure your staff are aware and alert with the SFC's guidelines with relation to:				
		(a) potential ML scenarios using transactions involving securities, futures contracts or leveraged foreign exchange contracts				
		(b) potential ML involving employees of Licensees				
		If any of the above instances in questions F.5 and F.6 has been identified, would you conduct further investigations and make at least initial enquiries about the source of funds?				
	F.7	Subsequent to a customer suspicion being identified, have you made prompt disclosures to the FIU if the following additional requests are made by the customer: <i>Note: Licensees are required to make prompt disclosure to FIU in any event, but the following requests are considered to be more urgent.</i>				
		(a) instructed you to move funds or other property				
		(b) close the account				
		(c) make cash available for collection				
		(d) carry out significant changes to the business relationship				
		(e) if there are other situations, please specify and further elaborate in the text box				
<p>Licensees should appoint a AML Compliance Officer (CO) as a central reference point for reporting suspicious transactions, either internally or externally.</p>						
	F.8	Is your CO responsible for the following?				
		(a) consider all internal disclosures received and relevant documentation				
		(b) play an active role in the identification and reporting of suspicious transactions				
		(c) perform regular review of exception reports or large or irregular transaction reports as well as ad hoc reports made by staff				
	F.9	Have you established and maintained procedures to ensure that:				
		(a) all staff are made aware of the identity of the CO and of the procedures to follow when making an internal disclosure report				
		(b) all disclosure reports must reach the CO without undue delay				
	F.10	Do you have policy, procedures or system in place for the CO to acknowledge receipt of the report and at the same time provide a reminder of the obligations regarding tipping off?				

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F.11	When there are further suspicious transactions or events in respect of the same customer, whether or not of the same nature to the previous suspicion, do you ensure that they are to be reported to CO who should further report to FIU if appropriate?				
F.12	When evaluating an internal disclosure, does the CO take reasonable steps to consider all relevant information, including CDD and ongoing monitoring information available?				
	If yes, does it include the following steps and conclusions appropriately documented?				
	(a) making a review of other transaction patterns and volumes through connected accounts				
	(b) any previous patterns of instructions, the length of the business relationship and reference to CDD and ongoing monitoring information and documentation				
	(c) questioning of the customer per the systematic approach to identifying suspicious transactions recommended by the FIU				
	(d) if there are other steps taken, please specify and further elaborate in the text box				
F.13	Does the record of all ML/TF reports made to the CO include the following details?				
	(a) full details of the customer				
	(b) a statement, as full as possible, of the information giving rise to the suspicion				
	(c) the date of the report was made				
	(d) the staff members subsequently handling the report				
	(e) the result of the assessment				
	(f) whether the report resulted in a disclosure to the FIU				
	(g) the information to allow the papers relevant to the report to be located				

Licensees are required to establish and maintain a record of all disclosures made to the FIU and conduct appropriate measures to mitigate risks upon the filing of the report.

F.14	Does the record of all disclosures made to the FIU include the following details?				
	(a) the date of the disclosure was made				
	(b) the person who made the disclosure				
	(c) the information to allow the papers relevant to the disclosure to be located				
F.15	Upon the filing of a report to FIU, do you conduct the following measures to mitigate the risk?				
	(a) conduct an appropriate review of the business relationship in suspicion by the CO, irrespective of any subsequent feedback provided by the FIU				
	(b) upon the appropriate review conducted by the CO, if deemed necessary, escalate the issue to the senior management to mitigate any potential legal or reputational risks				
F.16	When making a report to the FIU, do you indicate your intention to terminate a relationship (if appropriate) in the initial disclosure and thus allowing the FIU to comment on such a course of action?				
	If there is no intention to terminate the business relationship, please confirm an N/A response and proceed to question G.1.				

(G) - Record Keeping and Retention of Records

Licensees are required to maintain customer, transaction and other records that are necessary and sufficient to meet the record-keeping requirements.

G.1	Do you keep the following documents/ records relating to customer identity?				
	(a) the original or a copy of the documents, and a record of the data and information, obtained in the course of identifying and verifying the identity of the customer and / or beneficial owner of the customer and/ or beneficiary and/ or persons who purport to act on behalf of the customer and/ or other connected parties to the customer				
	(b) any additional information in respect of a customer and/ or beneficial owner of the customer that may be obtained for the purposes of EDD or ongoing monitoring				
	(c) where applicable, the original or a copy of the documents, and a record of the data and information, on the purpose and intended nature of the business relationship				
	(d) the original or a copy of the records and documents relating to the customer's account and business correspondence with the customer and any beneficial owner of the customer				
	(e) if there are other documents/ records considered, please further elaborate in the text box				

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G.2	If yes to the above documents/ records, are they kept throughout the business relationship with the customer and for a period of six years after the end of the business relationship? <i>Note: While the CO identifies relevant documents to be retained for 6 years, the Licensee should consider other VFSC/FIU requirements when determining the record keeping and retention period of each document (i.e. under the VFSC/FIU (keeping of records) Rules).</i>				
	Do you keep the following documents/ records relating to transactions?				
	(a) the identity of the parties to the transaction				
	(b) the nature and date of the transaction				
	(c) the type and amount of currency involved				
	(d) the origin of the funds				
	(e) the form in which the funds were offered or withdrawn				
	(f) the destination of the funds				
	(g) the form of instruction and authority				
(h) the type and identifying number of any account involved in the transaction					
(i) if there are other documents/ records considered obtained in connection with the transactions and / or to establish a financial profile of any suspect account or customer, please further elaborate in the text box					
G.3	If yes to the above documents/ records, are they kept for a period of six years after the completion of a transaction, regardless of whether the business relationship ends during the period? <i>Note: While the CO identifies relevant documents to be retained for 6 years, the Licensee should consider other VFSC/FIU requirements when determining the record keeping and retention period of each document (i.e. under the VFSC/FIU (keeping of Records) Rules).</i>				
	In the case where customer identification and verification documents are held by intermediaries, do you ensure that the intermediaries have systems in place to comply with all the record-keeping requirements?				

(H) - Staff Training
Licensees are required to provide adequate ongoing training for staff in what they need to do to carry out their particular roles with respect to AML/CTF.

H.1	Have you implemented a clear and well articulated policy to ensure that relevant staff receive adequate AML/CTF training?				
H.2	Do you provide AML/CTF training to your staff to maintain their AML/CTF knowledge and competence?				
	If yes, does the training program cover the following topics:				
	(a) your institution's and the staff's own personal statutory obligations and the possible consequences for failure to report suspicious transactions under relevant laws and regulations				
	(b) any other statutory and regulatory obligations that concern your institution and the staff under the relevant laws and regulations, and the possible consequences of breaches of these obligations				
	(c) your own policies and procedures relating to AML/CTF, including suspicious transaction identification and reporting				
	(d) any new and emerging techniques, methods and trends in ML/TF to the extent that such information is needed by your staff to carry out their particular roles in your institution with respect to AML/CTF				
H.3	Do you provide AML/CTF training for all your new staff, irrespective of their seniority and before work commencement?				
	If yes, does the training program cover the following topics:				
	(a) an introduction to the background to ML/TF and the importance placed on ML/TF by your institution				
	(b) the need for identifying and reporting of any suspicious transactions to the CO, and the offence of "tipping-off"				
H.4	Do you provide AML/CTF training for your members of staff who are dealing directly with the public?				
	If yes, does the training program cover the following topics:				
	(a) the importance of their role in the institution's ML/TF strategy, as the first point of contact with potential money launderers				

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Name of the Licensee	
Checklist completed by (Name)	
Checklist completed by (Position)	
Date of completion	

Question #	Question	Yes	No	N/A	Document where the response to the question requires further elaboration. Additionally document the following details, if the response to any of the question is 'No': 1) How does the Licensee plan to remediate the potential gap identified 2) When does the Licensee plan to complete the remediation for any potential gaps identified
H.5	(b) your policies and procedures in relation to CDD and record-keeping requirements that are relevant to their job responsibilities				
	(c) training in circumstances that may give rise to suspicion, and relevant policies and procedures, including, for example, lines of reporting and when extra vigilance might be required				
	Do you provide AML/CFT training for your back-office staff?				
	If yes, does the training program cover the following topics:				
	(a) appropriate training on customer verification and relevant processing procedures				
H.6	(b) how to recognise unusual activities including abnormal settlements, payments or delivery instructions				
	Do you provide AML/CFT training for managerial staff including internal audit officers and COs?				
	If yes, does the training program cover the following topics:				
H.7	(a) higher level training covering all aspects of your AML/CFT regime				
	(b) specific training in relation to their responsibilities for supervising or managing staff, auditing the system and performing random checks as well as reporting of suspicious transactions to the FIU				
	Do you provide AML/CFT training for your COs?				
H.8	If yes, does the training program cover the following topics:				
	(a) specific training in relation to their responsibilities for assessing suspicious transaction reports submitted to them and reporting of suspicious transactions to the FIU				
	(b) training to keep abreast of AML/CFT requirements/developments generally				
H.9	Do you maintain the training record details for a minimum of 3 years?				
	If yes, does the training record include the following details:				
	(a) which staff has been trained				
	(b) when the staff received training				
H.9	(c) the type of training provided				
	Do you monitor and maintain the effectiveness of the training conducted by staff by:				
	(a) testing staff's understanding of the company's policies and procedures to combat ML/TF				
	(b) testing staff's understanding of their statutory and regulatory obligations				
	(c) testing staff's ability to recognize suspicious transactions				
	(d) monitoring the compliance of staff with your AML/CFT systems as well as the quality and quantity of internal reports				
	(e) identifying further training needs based on training / testing assessment results identified above				

(I) - International Transfers/Wire Transfers

Licensees are required to comply with section 28 of the AML/CTF Act and the guidelines in this part if they act as an ordering/beneficiary/intermediary institution as defined in the AML/CTF Act.

Ordering institutions

1.1	Where the Licensee acts in the role of an ordering institution (for a wire transfer), please complete questions 1.2 - 1.12 below. If the Licensee does not act in the role of an ordering institution, please confirm an N/A response and proceed directly to the questions in 1.13 relating to "Beneficiary institution".				
1.2	Do you ensure that all wire transfers of amount equal to or exceeding VT 1,000,000 (or an equivalent amount in any other currency) are accompanied by complete and verified originator information which includes:				
	(a) the originator's name				
	(b) the number of the originator's account maintained with your firm and from which the money for the wire transfer is paid, or a unique reference number (for non-account holders)				
	(c) the originator's address or, in the absence of an address, the originator's customer identification number or identification document number (e.g. ID card number, business registration number), or, if the originator is an individual, the originator's date and place of birth				
1.3	Do you verify the address if you include the "correspondence address" of the originator in the wire transfer message?				
1.4	Do you verify all the originator information accompanying the payment?				

VFSC AML / CTF ONSITE REVIEW CHECKLIST

Name of the Licensee	
Checklist completed by (Name)	
Checklist completed by (Position)	
Date of completion	

	Question #	Question	Yes	No	N/A	Document where the response to the question requires further elaboration. Additionally document the following details, if the response to any of the question is 'No': 1) How does the Licensee plan to remediate the potential gap identified 2) When does the Licensee plan to complete the remediation for any potential gaps identified
	1.5	Do you retain the evidence of verification together with the customer (originator) information in accordance with the requirements as set in "Record Keeping and Retention of Records" section above?				
		If yes, is the information made available within three business days on request by the beneficiary institution or the appropriate authorities about the originator?				
	1.6	Do you ensure that any request to override customer information should not be entertained and any suspicion of improper motive by a customer should be reported to the ordering institution's CO?				
	1.7	Do you ask for further explanation of the nature of the wire transfer from the customer if there is suspicion that a customer may be effecting a wire transfer on behalf of a third party?				
	1.8	Do you adopt an RBA to check whether certain wire transfers may be suspicious taking into account such factors as the name of the beneficiary, the destination and amount of the wire transfer?				
	1.9	Do you have clear policies on the processing of cross-border and domestic wire transfers?				
		If yes, do the policies address the following:				
		(a) record-keeping				
		(b) the verification of originator's identity information				
		(c) the information to be included in messages				
	1.10	Do you include wire transfers in your ongoing due diligence on the business relationship with the originator and the scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with your knowledge of the customer, its business and risk profile?				
		If yes, is such process subject to regular audits to ensure its effectiveness?				
	1.11	When you bundle a number of transfers into a batch file for transmission to an overseas beneficiary institution (batch file transfer), do you ensure that the batch file itself contains complete originator information?				
	1.12	For wire transfers involving cover payment messages, do you ensure:				
		(a) the message you send to cover intermediary institutions contains originator and beneficiary information and such information is identical to that contained in the corresponding direct cross-border wire transfer message sent to the beneficiary institution				
		(b) the cover payment message includes other identity information about the beneficiary when possible				
Beneficiary institutions						
	1.13	Where the Licensee acts in the role of a beneficiary institution (for a wire transfer), please complete questions 1.14 - 1.27 below. If the Licensee does not act in the role of a beneficiary institution, please confirm an N/A response and proceed directly to the questions in 1.28 relating to "Intermediary institution".				
	1.14	For a beneficiary who is not an account holder with a transfer of any value, do you record the identity and address of the recipient?				
	1.15	For wire transfers equal to or exceeding VT 1,000,000, (US\$ 1,000 or EU 1,000 for VASP) do you verify the recipient's identity by reference to the identity card or travel document?				
	1.16	Do you establish and maintain effective procedures for identifying and handling incoming wire transfers in compliance with the relevant originator information requirements?				
	1.17	If an incoming domestic or cross border wire transfer is not accompanied by the originator's information, do you, as soon as reasonably practicable, obtain the information from the institution from which you receive the transfer instruction?				
		If such information cannot be obtained, do you consider one of the following:				
		(a) restrict or terminate your business relationship with that institution OR				
		(b) take reasonable measures to mitigate the ML/TF risk involved				
		If yes, please document your choice of the above options in the text box.				
	1.18	If you are aware that the accompanying information that purports to be the originator's information is incomplete or meaningless, do you, as soon as reasonably practicable, take reasonable measures to mitigate the risk of ML/TF involved?				
	1.19	Do you implement effective risk-based procedures and systems to subject incoming payment traffic to an appropriate level of post-event random sampling to identify wire transfers that contain incomplete or meaningless originator's information?				

VFSC AML / CTF ONSITE REVIEW CHECKLIST

Name of the Licensee	
Checklist completed by (Name)	
Checklist completed by (Position)	
Date of completion	

	Question #	Question	Yes	No	N/A	Document where the response to the question requires further elaboration. Additionally document the following details, if the response to any of the question is 'No': 1) How does the Licensee plan to remediate the potential gap identified 2) When does the Licensee plan to complete the remediation for any potential gaps identified	
		If yes, does your sampling weigh towards transfers:					
		(a) from institutions that are not located in equivalent jurisdictions, particularly those that are known to have failed to adequately implement international messaging standards					
		(b) from institutions located in high-risk jurisdictions					
		(c) that are higher value transfers					
		(d) from institutions that are identified by such sampling as having previously failed to comply with the relevant information requirement					
	1.20	If you become aware that a payment message contains meaningless or incomplete information, do you request complete originator information and set appropriate deadlines for the remediation of deficient transfers?					
	1.21	If the complete and meaningful information cannot be obtained within the deadline set, do you consider one of the following?					
		(a) restrict or terminate your business relationship with the institution from which you receive the transfer instruction OR					
		(b) take reasonable measures to mitigate the ML/TF risk posed					
		If yes, please document your choice of the above options in the text box.					
	1.22	Do you perform checking, at the point of payment delivery, that originator information is complete and meaningful on all transfers that are collected in cash by recipients/beneficiaries on a "pay on application and identification" basis?					
	1.23	Do you consider incomplete or meaningless information of which you become aware on a funds transfer constitutes grounds for suspicion and thus a report to the FIU is appropriate?					
	1.24	If an ordering institution in Vanuatu regularly fails to supply the required originator information for a wire transfer involving an amount equal to or exceeding the equivalent of VT 1,000,000, (US\$ 1,000 or EU 1,000 for VASP) do you consider the following controls:					
		(a) report the matter to the FIU/VFSC					
		(b) issue warnings and set deadlines					
		(c) either refuse to accept further transfers from that institution or decide whether to restrict or terminate your relationship with that institution either completely or in respect of funds transfers					
	1.25	For incoming wire transfers below VT 1,000,000 (USD\$ 1,000 or EU 1,000 for VASP) containing incomplete payment information, do you adopt an RBA to request for complete information?					
	1.26	Do you retain records of all electronic payments and messages in accordance with the AML/CTF Act?					
	1.27	For wire transfers involving cover payment messages, do you:					
		(a) identify and verify the beneficiary					
		(b) have effective risk-based procedures in place to identify and handle wire transfers lacking complete originator information					
	Intermediary institutions						
	1.28	Where the Licensee acts in the role of an intermediary institution (for a wire transfer), please complete questions 1.29 to 1.31 below. If the Licensee does not act in the role of an intermediary institution, please confirm an N/A response.					
	1.29	Do you ensure that all originator information which accompanies the wire transfer is retained with the transfer and is passed to the next institution in the payment chain?					
	1.30	In case you are technically unable to onward transmit originator information with transfers originating outside Vanuatu, do you advise the beneficiary institution of the originator information by another form of communication?					
	1.31	For wire transfers involving cover payment messages, do you:					
		(a) establish clear policies and procedures to ensure, in real time, that the relevant fields for storing originator and beneficiary information in cross-border cover payment messages are not blank					
		(b) develop and implement policies and procedures to monitor if the originator and beneficiary information in the cross-border cover payment messages is manifestly meaningless or incomplete					
		(c) screen the originator and beneficiary names against your database of terrorists and terrorist suspects					

GLOSSARY OF KEY TERMS AND ABBREVIATIONS

Please note that the terms / abbreviations below are extracted from the AMLO and the SFC's Guideline on Anti-Money Laundering and Counter-Terrorist Financing for easy reference.

AML/CTF Act – Anti-Money Laundering and Counter-Terrorist Financing Act No. 13 of 2014

AML / CFT – Anti-money laundering and counter financing of terrorism

Beneficial owner

(a) in relation to a corporation—

- (i) means an individual who—
 - (A) owns or controls, directly or indirectly, including through a trust holding, not less than 10% of the issued share capital of the corporation;
 - (B) is, directly or indirectly, entitled to exercise or control the exercise of not less than 10% of the voting rights at general meetings of the corporation; or
 - (C) exercises ultimate control over the management of the corporation; or
- (ii) if the corporation is acting on behalf of another person, means the other person;

(b) in relation to a partnership—

- (i) means an individual who—
 - (A) is entitled to or controls, directly or indirectly, not less than a 10% share of the capital or profits of the partnership;
 - (B) is, directly or indirectly, entitled to exercise or control the exercise of not less than 10% of the voting rights in the partnership; or
 - (C) exercises ultimate control over the management of the partnership; or
- (ii) if the partnership is acting on behalf of another person, means the other person;

(c) in relation to a trust, means—

- (i) an individual who is entitled to a vested interest in not less than 10% of the capital of the trust property, whether the interest is in possession or in remainder or reversion and whether it is defeasible or not;
- (ii) the settler of the trust;
- (iii) a protector or enforcer of the trust; or
- (iv) an individual who has ultimate control of the trust; and

(d) in relation to a person not falling within paragraph relating to (a), (b) or (c)—

- (i) means an individual who ultimately owns or controls the person; or
- (ii) if the person is acting on behalf of another person, means the other person.

CO – Compliance Officer

CDD – Customer due diligence

EDD – Enhanced customer due diligence

Equivalent jurisdiction - means:

- (a) a jurisdiction that is a member of the FATF, other than Vanuatu; or
- (b) a jurisdiction that imposes requirements similar to those imposed under the AML/CTF ACT No. 13 of 2014

FATF – Financial Action Task Force, means the Financial Action Task Force on Money Laundering established by the G-7 Summit held in Paris in 1989.

Licensee – This means an authorized institution licensed by VFSC and under the supervision of VFSC, such as FDL, VASP, CTSP, GCSP, Limited CSP, Mutual Funds, Unit Trust.

Individual - Individual means a natural person, other than a deceased natural person.

FIU – Financial Intelligence Unit

Minor – Minor means a person who has not attained the age of 18 years

MLCO – Money Laundering Compliance Officer

ML / TF – Money laundering and / or Terrorist Financing

PEP(s) – Politically exposed person(s)

A foreign politically exposed person is

- (a) an individual who is or has been entrusted with a prominent public function in a place outside the People's Republic of China and
 - (i) includes a head of state, head of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation and an important political party official; but
 - (ii) does not include a middle-ranking or more junior official of any of the categories mentioned in subparagraph (i);
- (b) a spouse, a partner, a child or a parent of an individual falling within paragraph (a) above, or a spouse or a partner of a child of such an individual; or
- (c) a close associate of an individual falling within paragraph (a).

A domestic politically exposed person is

- (a) an individual who is or has been entrusted with a prominent public function in a place within Vanuatu and
 - (i) includes a head of state, head of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation and an important political party official; but
 - (ii) does not include a middle-ranking or more junior official of any of the categories mentioned in subparagraph (i);
- (b) a spouse, a partner, a child or a parent of an individual falling within paragraph (a) above, or a spouse or a partner of a child of such an individual; or
- (c) a close associate of an individual falling within paragraph (a).

RBA – Risk based approach to CDD and ongoing monitoring

SDD – Simplified customer due diligence

Trust - A trust means an express trust or any similar arrangement for which a legal-binding document (i.e. a trust deed or in any other form) is in place.

Wire transfer - A wire transfer is a transaction carried out by an institution (the ordering institution) on behalf of a person (the originator) by electronic means with a view to making an amount of money available to that person or another person (the recipient/beneficiary) at another institution (the beneficiary institution), which may be the ordering institution or another institution, whether or not one or more other institutions (intermediary institutions) participate in completion of the transfer of the money.