



Target Financial Sanctions - Terrorist Financing Guidance for Financial Dealers Licensees (FDL) Aligned with United Nations Financial Sanctions Act No. 6 of 2017 (UNFSA)

January 2026

Supervision Department

TFS-TF Guidance for Financial Dealers Licensees (FDL) Aligned with United Nations Financial Sanctions Act No. 6 of 2017 (UNFSA) and VFIU Guidance Note on the UNFSA

1. Scope

This guidance applies to all holders of a Financial Dealers License (FDL) issued by the Vanuatu Financial Services Commission (VFSC). FDL holders are reporting entities under Vanuatu's AML/CTF Act No. 13 of 2014 and must comply with Targeted Financial Sanctions relating to Terrorism and Terrorist Financing (TFS-TF) under the UNFSA.

It covers prohibitions on dealing with designated persons/entities, screening requirements, freezing obligations, reporting, and authorisations.

2. Purpose

To assist FDL licensees in understanding and effectively complying with their obligations under Targeted Financial Sanctions relating to Terrorism and Terrorist Financing (TFS-TF), as required by the United Nations Financial Sanctions Act No. 6 of 2017 (UNFSA).

3. Key Definitions (UNFSA)

- **Designated person/entity:** Individuals, groups, or entities listed on the UN Consolidated List or domestically designated by the Prime Minister due to links to terrorism or terrorist financing.
- **Property:** Includes funds, assets, bank credits, securities, and other financial instruments.
- **Dealing:** Transferring, converting, disposing, moving, or using property.
- **Financial service:** Services provided by FDL holders (e.g., dealing in securities, forex, derivatives).

4. Main Obligations

Financial Dealers Licensees must:

1. Screen all customers, beneficial owners, and transactions:
 - a. Before establishing a business relationship.
 - b. On an ongoing basis (at least daily or real-time where possible).
 - c. Before processing any transaction.
 - d. Against the current UN Consolidated List (available on fiu.gov.vu).
2. Freeze without delay any property of a designated person/entity.
3. Prohibit:
 - a. Dealing with property owned, controlled, or held by designated persons/entities.
 - b. Making property or financial services available directly or indirectly to them.

4. Avoid reckless dealing — knowledge can be inferred from objective facts.
5. Report to the Sanctions Secretariat (VFIU):
 - a. Any true match or frozen property within 5 working days.
 - b. Use the prescribed report form - [Property Report Form](#)

5. Handling Matches

- **True Match:** Freeze immediately and report.
- **False Positive:** Document the decision and, if requested, apply for a **Certificate of Acknowledgement of False Positive** - [Application for Certificate of Acknowledgement of False Positive Identification](#)
- Escalate uncertain cases to the Sanctions Secretariat.

6. Record Keeping

Financial Dealers Licensees must maintain records of:

- All screening results.
- Decisions on matches.
- Reports submitted.
- Any authorisations received.

Records must be kept for at least 7 years.

7. Penalties for Non-Compliance (UNFSA)

- **Knowledge-based offences:** Up to VT 50 million fine or 25 years imprisonment (individuals); higher for corporates.
- **Reckless offences:** Up to VT 25 million fine or 15 years imprisonment.
- Failure to report: Significant fines and imprisonment.

8. Compliance Programme Requirements

Integrate TFS-TF into your AML/CTF manual with:

- Sanctions screening procedures.
- Staff training (regular).
- Internal escalation process.
- Annual review and update.

Sources:

- United Nations Financial Sanctions Act No. 6 of 2017.
- VFIU Guidance Note on the UNFSA (Targeted Financial Sanctions).

For the latest Consolidated List, reporting forms, and updates, visit: <https://fiu.gov.vu/un-financial-sanctions>

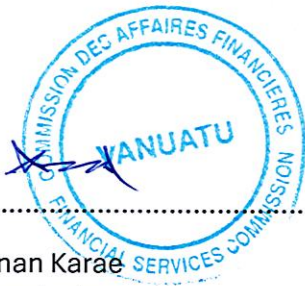
Contact: Sanctions Secretariat – vfiu@vanuatu.gov.vu or 7330 250.

This document is for guidance only. Financial Dealers Licensees must remain fully responsible for compliance.

Please contact the following person should you have any questions:

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Commissioner