

## Financial Intelligence Unit

# Circular

### Obligations of Reporting Entities in relation to Targeted Financial Sanctions against Terrorism, Terrorist Financing and Proliferation

Recommendations 6 and 7 of the Financial Action Task Force (FATF) International Standards deal with the need to combat money laundering and the financing of terrorism and proliferation. These standards require that countries implement 'Targeted Financial Sanctions' in compliance with a number of United Nations Security Council Resolutions (UNSCRs). These UNSCRs require the freezing, without delay, of the funds or other assets of a designated person or entity, and to ensure that no funds and other assets are made available to or for the benefit of:

- (i) Any person or entity designated by the United Nations Security Council as required by Security Council resolution 1267 (1999) and its successor resolutions;
- (ii) Any person or entity designated by a country pursuant to Security Council resolution 1373(2001); and
- (iii) Any person or entity designated by the United Nations Security Council pursuant to the resolutions that relate to the prevention and disruption of the financing of proliferation of weapons of mass destruction - UNSCRs 1718(2006) and 2231(2015) and their successor resolutions.

#### This Circular serves to inform Reporting Entities of the following:

- (i) Steps taken by Guyana to comply with the above FATF and United Nations Security Council requirements; and
- (ii) Obligations of a Reporting Entity as it relates to the implementation of the legislative provisions relating to Targeted Financial Sanctions.

#### Steps taken:

Legislative provisions -

- Sections 68A – 68H of the AML/CFT Act 2009 as amended; and
- The AML/CFT Regulation No. 4 of 2015 as amended.

Other measures -

In accordance with section 9(4)(c)(iv) of the AML/CFT Act 2009, the Financial Intelligence Unit (FIU) issued a Practical Guide on Targeted Financial Sanctions (Guideline No. 2 of 2015) and a Guide on Targeted Financial Sanctions related to Terrorism and Terrorist Financing (Guideline No. 3 of 2015) to help Reporting Entities understand and apply the required measures to comply with their legal obligations.

**Reporting Entities “Targeted Financial Sanctions” obligations - Summary**

In keeping with the aforementioned legislative provisions, Reporting Entities are now required to:

- Check the United Nations Security Council Consolidated List on a regular basis for updates on individuals and entities that must be subjected to Targeted Financial Sanctions based on the assessment done by the United Nations Security Council (**Reg. 3 AML/CFT Regulations 2015**). The full list can be accessed via the UN website or the FIU’s website.
- Determine on a continuous basis whether they are in possession or control of funds or other assets for any person or entity designated by the United Nations Security Council as required by Security Council resolutions 1267(1999), 1373(2001), 1718(2006) and 2231(2015) and their successor resolutions. (**S. 68A(3) and S. 68E(3) of the AML/CFT Act 2009 as amended**)
- Inform the FIU (without delay) if they are holding funds or other assets for a designated person or entity. (**S. 68A(4) and S. 68E(4) of the AML/CFT Act 2009 as amended**)
- Submit quarterly reports to the FIU on whether or not they have in their possession funds or other assets of a designated person or entity. (**Reg. 5(3) AML/CFT Regulations No. 4 of 2015 as amended**)
- Comply with any direction/instruction from the Director of the FIU in relation to dealings with funds or other assets of a designated person or entity. (**Reg. 6(2) AML/CFT Regulations No. 4 of 2015 as amended**)

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- Not knowingly:
  - (a) Deal directly or indirectly with any property of a designated person or entity;
  - (b) Enter into or facilitate, directly or indirectly, any transaction with a designated person or entity;
  - (c) Provide any financial or other related service in respect of a designated person or entity; or
  - (d) Make any property or any financial or other related service available, directly or indirectly for the benefit of a designated person or entity. ***(S. 68A(2) and S. 68E(2) of the AML/CFT Act 2009 as amended)***

**Note:**

The information contained in this document is intended only to provide a summary of a Reporting Entity's obligations in relation to the implementation of the 'Targeted Financial Sanctions' provisions in the AML/CFT legislation. It is not intended to be comprehensive. It does not constitute, nor should it be treated as, legal advice or opinions.