



NATIONAL ANTI-MONEY LAUNDERING AND COMBATING TERRORIST FINANCING STRATEGY 2024-2026

Fostering cooperation to maintain and strengthen an environment which prevents money laundering terrorist financing and weapons proliferation.

THE TURKS AND CAICOS ISLANDS ANTI-MONEY LAUNDERING COMMITTEE

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“The Turks and Caicos Islands remains committed to effective, positive engagement amongst national stakeholder that optimises greater delivery of national AML/CFT priorities to ensure compliance with international standards.”

Introduction

The Financial Action Task Force (FATF) is the global standard setter promoting effective implementation of legal, regulatory and operational measures for combating Money Laundering, Terrorist Financing and other related threats to the integrity of the international financial system. Its procedures require that each country's money laundering and terrorist financing risks be assessed. The Caribbean Financial Action Task Force (CFATF) is the regional offshoot of the FATF and is responsible for monitoring and assessing member states against the FATF standards. The mutual evaluations process is the mechanism used to conduct assessments and the results are published in the form of a Mutual Evaluation Report (MER).

At the November 2019 CFATF Plenary, the Fourth Round MER of the Turks and Caicos Islands was adopted and subsequently published on January 20th, 2020. At that time the Turks and Caicos Islands (TCI) was found to be compliant or largely compliant with 24 of the FATF's 40 Recommendations and partially compliant with 16 Recommendations. Since then, TCI's Competent Authorities have worked diligently at addressing technical deficiencies and improving the effectiveness of the Turks and Caicos Islands' AML/CFT regime.

By November 2023, the Turks and Caicos Islands achieved upgrades in 13 FATF Recommendations (Recs 8, 10, 13, 14, 16, 19, 19, 22, 23, 26, 28, 34 and 40) and is now assessed as compliant or largely compliant in 37 of FATF's 40 Recommendations. As the Turks and Caicos Islands prepares for the 5th Round of mutual evaluations, we continue to work together with the global network to effectively implement all aspects of the AML/CFT regime.

Utilising the National Risk Assessment tool developed by the World Bank, the Turks and Caicos Islands published its first Money Laundering and Terrorist Financing National Risk Assessment (NRA) in 2017 in line with the FATF Recommendation 1. This was followed by a National Anti-Money Laundering and Combatting Terrorist Financing Strategy, (the National Strategy 2018-2019) which was approved by the Cabinet on May 9th, 2018 and published on July 16th, 2018. In the MER it was recognized that there were gaps in the NRA. An updated NRA commenced in 2024 which seeks to address those gaps and current and emerging risks.

The commencement of the process to update the NRA was delayed to 2024, due largely to the imposition of public health restrictions during the COVID-19 pandemic the. The Turks and Caicos

Islands launched its updated NRA process in June 2024¹. A wide range of public sector and private sector stakeholders are participating in this important process to achieve an up-to-date, accurate and comprehensive understanding of the TCI's ML/TF risks and ensure adequate risk-based mitigation mechanisms are applied.

The Turks and Caicos Islands Anti-Money Laundering Committee (AMLC), with the approval of the Cabinet, agreed the AMLC's Strategic Plan for the period 2020-2023. In 2024, the AMLC embarked upon a review of the Strategic Plan, reviewing its implementation and seeking to ensure that current and emerging risks are adequately mitigated. The 2024-2026 Strategic Plan sets out the vision and strategic objectives of the AMLC over the period 2024-2026. The strategic priorities of the AMLC are -

- 1) Effectively deterring, detecting and disrupting Money Laundering (ML) and Terrorist Financing (TF);
- 2) Maintaining public confidence in the Turks and Caicos Islands financial system;
- 3) Protecting the integrity and reputation of the Turks and Caicos Islands in the areas of AML/CFT;
- 4) Complying with the FATF Recommendations with respect to technical compliance and effectiveness;
- 5) Enhancing domestic and international cooperation; and
- 6) Strengthening oversight and enforcement methods.

The National AML/CFT Strategy 2024-2026 builds upon the 2021-2023 National AML/CFT Strategy, considering threats and risks identified in the 2017 NRA, the recommendations included in the 2020 MER and the lessons learnt from the National AML/CFT Strategic Plan 2020-2023. The National AML/CFT Strategy 2024-2026 includes commitments to providing a response to risks identified in the updated NRA as well as emerging threats.

¹ [Press release from office of the Premier, July 23rd 2024](#)

Looking Ahead – Strategic Implementation

The AMLC stakeholders have been tasked with undertaking the further actions identified in the MER which are necessary to improve the AML/CFT framework and reduce vulnerability to money laundering and terrorist financing and to proactively take steps to strengthen systems to prevent the Turks and Caicos Islands' financial sector from being abused by criminals. The stakeholders intend to implement laws and measures effectively, strengthen controls and supervisory oversight in each sector and where there is non-compliance with the laws or measures or there are ill-gotten gains from illicit activities, pursue prosecution, undertake confiscations, seek civil recovery or impose dissuasive fines and penalties.

It is essential that policy makers and officials are well versed in the issues impacting the effective implementation of the FATF Standards in the Turks and Caicos Islands, including the required legal and institutional framework, ML/TF risk assessments and mitigation measures, risk-based supervision, and asset recovery. The Government through the AMLC recognises that it has a responsibility to ensure that the financial and non-financial sectors are protected from ML/TF threats. Ensuring that all public sector stakeholders are properly trained to detect and prevent these threats or can take effective, proportionate and dissuasive enforcement actions where the financial system has been abused or illicit activity has occurred will contribute to the effectiveness of the country's AML/CFT regime in securing the domestic and international financial system.

This strategy sets out goals which embody the actions necessary to achieve the AMLC's strategic priorities. The actions within each goal are assigned to specific agencies to develop and implement with a lead agency being identified in each case. Progress will be monitored by the AMLC through the already established mechanism for agency reports to the AMLC. All work will be scrutinized by the AMLC and where needed, amendments will be made to action items. Consequently, this Strategy will be a dynamic document reflecting the TCI's efforts in combatting money laundering, the financing of terrorism and proliferation financing risks identified. The progress on the goals and the effectiveness achieved will be closely monitored with annual reporting by the AMLC to the Cabinet.

Hon. Rhondalee Knowles OBE KC
Attorney General
February 6, 2025

GOAL 1 – Implement AML/CFT Measures

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Since the CFATF Mutual Evaluation on-site assessment in 2018, the Turks and Caicos Islands Government has progressively enhanced the legislative framework and developed policies, procedures and guidance in respect of AML/CFT. These are not static and must keep abreast of various changes and developments in the international AML/CFT standards if the public's confidence in the TCI financial system is to be maintained. The established structure of the AMLC fosters enhanced coordination and cooperation in the implementation of AML/CFT measures.

Strategy

A robust AML/CFT system calls for a comprehensive ML/TF risk understanding and the effective implementation of the laws, policies, guidance, procedures and building of institutional capacity to successfully mitigate risks and meet the requirements of the FATF and other international standards. This will be coordinated by the AMLC Secretariat and will call for all public and private sector stakeholders working together to utilize and comply with the mechanisms that have been put in place to prevent the abuse and misuse of the financial sector through ML/TF.

Risk mitigation measures and resource allocation will be prioritized on the basis of risks.

Lead agency: Anti-Money Laundering Committee

Other agencies: Attorney General's Chambers, Border Force, Financial Services Commission; Royal Turks and Caicos Islands Police Force; Office of the Director of Public Prosecutions, Financial Intelligence Agency, Integrity Commission, and the Gaming Control Commission.

GOAL 1 – Implement AML/CFT Measures

Actions

- Stakeholder agencies to ensure that program strategies and KPIs in respect of the AML/CFT obligations are included in annual work plans through the budgeting process.
- Stakeholder agencies to include in the reports to the AMLC updates regarding specific measures being undertaken in respect of:
 - The TCI's 2020 MER's Priority Actions and Recommended Actions.
 - A risk-based approach to mitigation of ML/TF threats and vulnerabilities such as those identified in, for example, national risk assessments, sectoral and thematic assessments and Strategic Reports, etc.
 - Work being done to address the technical compliance deficiencies relevant to each respective agency according to the agency's responsibility.
- Update the understanding of ML/TF risks by undertaking a comprehensive ML/TF NRA.
- Ensure that all work streams under CAs are effectively resourced and properly functioning and engaged in work aligned with the AMLC's Strategic Priorities.
- Improve on public stakeholders' level of engagement with the private sector stakeholders to create a strong, mutually supportive and collaborative approach to AML/CFT implementation.

GOAL 2 – Improve Investigations and Prosecutions

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Detection of ML/TF often starts with reporting of criminal activities to the Police, the receipt of an operational/ tactical analysis intelligence report from the FIA, the detection of criminal conduct by any other Law Enforcement Agency (LEA) and subsequent referral to the police, or other means. All LEAs must be familiar with the concept of parallel financial investigations, undergo necessary training and utilize the established mechanisms to cooperate and collaborate with the Financial Crime Unit (FCU) of the Royal Turks and Caicos Islands Police Force (RTCIPF).

Additionally, there must be sustained outreach and training by the FIA, the FSC and the GCC, particularly to higher ML/TF risk sectors. There must be effective AML/CFT supervision by the FSC/ GCC to ensure that preventive measures result in the protection of the regulated and supervised sectors from abuse, and that suspicious activity is being detected and reported. Collectively, this should result in ML/TF investigations that are consistent with the risk profile and context of the TCI. Given finite resources, the FCU shall apply a risk-based approach towards prioritising investigations.

The RTCIPF and other law enforcement agencies sometimes prefer charges only in respect of predicate crimes and may overlook ML offences. Consistent with the risk assessment of TF, there has been no detection or investigation into any cases of TF or terrorism. Nevertheless, the RTCIPF will take a coordinated strategic approach, utilising a TF Investigations Manual in training and simulation exercises to ensure an effective investigation if the situation arises.

Similarly, Crown Prosecutors should ensure that, where appropriate, a financial investigation and relevant ML charge should be part of the prosecution docket, particularly in relation to higher risk ML/TF offences and financial sectors and DNFBPs.

Strategy

This involves the development and implementation of a comprehensive Financial Crime Unit (FCU) ML/TF Prioritization Policy and Risk Matrix and a Standard Operating Procedure (SOP) for identifying and investigating ML/TF offences. Additionally, all LEAs must ensure investigators receive sufficient training in parallel financial investigations, including cash seizure investigations and overcome hindrances in referring matters to the FCU for investigation. ML/TF investigations should be embedded as priorities for the law enforcement agencies, with a view to ensuring that

GOAL 2 – Improve Investigations and Prosecutions

any needed resources are put in place to better detect such crimes, particularly in respect of higher threat ML and associate predicate offences and TF as identified in risk assessments.

Similarly, prosecutors should undergo adequate training on ML/TF prosecution with the inclusion of such matters as KPIs for consideration for recruitment and promotion.

Magistrates and Judges must also be trained to properly adjudicate ML/TF matters.

Lead agency: Royal Turks and Caicos Islands Police Force (RTCIPF)

Other agencies: Border Force, Office of the Director of Public Prosecutions, Financial Intelligence Agency, Integrity Commission, the Judiciary.

GOAL 2 – Improve Investigations and Prosecutions

Actions

RTCIPF

- Increase capacity within the FCU
 - Assign additional financial investigators to the FCU.
 - Develop SOPs on financial investigations covering ML/TF investigations, cash seizure and asset recovery investigations, domestic coordination, international cooperation, and other related activities.
 - Develop a Case Prioritization Policy and Risk Matrix.
 - Ensure FCU staff receive training in investigative analysis and financial investigations.
 - Equip the FCU with a suitable case management system and financial analysis software.
- Increase capacity to identify potential ML/TF and initiate parallel financial investigations.

Border Force

- Ensure investigators are trained to identify ML/TF and undertake parallel financial investigations.
- Develop a SOP for undertaking financial investigations and a formal process for referral of potential ML/TF matters to the FCU.
- Work along with the FCU in joint investigations, particularly where areas of responsibility overlap.
 - Build strong culture of cooperation and collaboration with the FCU via participation in the Financial Crime Focus Group
- Ensure effective implementation of cross-border currency/bearer negotiable instrument transportation declaration system.

Integrity Commission

- Ensure sufficient complement of staff to effectively undertake investigations.
- Support work to give legislative authority to the IC to pursue ML investigations associated with offences pursuant to the Proceeds of Crime Ordinance.

ODPP

- Enhance the implementation of the ODPP/RTCIPF Standardized Case File Policy

GOAL 2 – Improve Investigations and Prosecutions

- Ensure ODPP is staffed with an adequate complement of Crown Prosecutors. Specialization of crown prosecutors in areas of high-threat offences, such as HT/MS, gang prosecutions, corruption, ML, etc. POCs to be established for LEAs.
- Implement a case management system.
- Ensure the prioritisation of ML, higher risk predicate offences and TF.
- Ensure the ODPP's Prosecution Policy includes ML/TF offences.
- Increase stakeholder engagement by the Competent Authorities in the form of outreach, awareness, training, guidance and feedback to assist financial institutions and DNFBPs in applying national AML/CT measures, and in particular, in detecting and reporting suspicious transactions.

Other Departmental Policies

- Cohesive asset recovery policy or policies
- Policy for Prosecution of ML/TF Offences
- FIU SOPs for Analysis Department
- SOP on parallel financial investigations
- Seized Asset Management Policy
- SOP for regulating cross-border transportation of currency

Training

Provide training to all LEAs and AML/CFT Supervisors to identify ML/TF offences and to enhance LEAs capacity to incorporate financial intelligence in investigations, convert intelligence to evidence, utilising international cooperation frameworks, etc. to improve the quality of investigations and case file preparation for ML, associate predicate offences, and TF cases.

- Arrange for TF training for officers to equip them with investigative techniques specific to the detection of TF offenders. Pursue TF training utilising simulation exercises and practical table-top exercises.

GOAL 2 – Improve Investigations and Prosecutions

- Provide training to Prosecutors to allow them to better identify cases where ML charges may also be preferred and how matters should be progressed in the courts.
- Enhance the understanding of Magistrates and Judges on combatting of ML/TF processes, management of ML/TF trials, sentencing, seizures and forfeitures in such matters; to ensure there are dissuasive, proportionate, fair and timely judicial decisions.

GOAL 3 – Enhance Border Control Measures

The archipelagic geography of the Turks and Caicos Islands (TCI) creates significant challenges for border security, as it provides extensive access points for various watercraft, including small sailboats, powerboats, and other vessels. This accessibility increases the risk of illicit activities, such as the smuggling of people, arms, drugs, and cash, through both illegal routes and legal ports of entry and various methods for human trafficking.

TCI's proximity to Haiti and the country's economic opportunities led to a sharp increase in irregular migration, further compounding these risks. The economic disparity between Haiti and TCI acts as a driving force behind the influx of migrants, who often fall victim to smuggling networks or are used as conduits for criminal activities.

Patrols conducted by the Royal Turks and Caicos Islands Police Force (RTCIPF) Maritime Operations and the Border Force regularly intercept irregular migrants. These interceptions sometimes uncover large quantities of smuggled narcotics, and to a lesser extent ammunition, and other contraband. Marine monitoring in TCI relies on a combination of coastal radar systems and maritime patrols conducted by local law enforcement agencies (LEAs), the Commonwealth of the Bahamas Defence Force and the United States Coast Guard. However, the existing radar system does not cover the entire territory, and resource limitations prevent continuous patrols across TCI's expansive waters. These gaps leave TCI vulnerable to exploitation by smugglers and traffickers.

In recent years, waves of irregular migration, mainly from Haiti, have escalated risks of criminal activity within TCI, including gang operations, corruption, fraud, forgery, and petty crimes. This surge also contributed to a rise in violent crimes, including homicides, and place immense strain on TCI's public infrastructure, resources, and national security apparatus.

Regarding legal ports, where arriving passengers are concerned, the Border Force utilizes a framework encompassing intelligence, information and behavioural analysis to risk assess and identify persons of interest, who may be acting suspiciously or whom they assess as needing greater scrutiny.

In respect of ML/TF risks associated with the cross-border transportation of cash or BNIs, there is a declaration system to track cash movements in and out of the country. However,

GOAL 3 – Enhance Border Control Measures

implementation and consistency requires strengthening, including where necessary taking enforcement action and ensuring that proper records are maintained.

Strategy

Effective border control is essential for ensuring the prosperity and security of the Turks and Caicos Islands (TCI). To address current vulnerabilities, all ports of entry must be outfitted with modernised technology, including advanced detection equipment, luggage scanners, and containerized scanners at seaports, as well as biometric verification systems where applicable. Integrating real-time surveillance systems to further enhance the ability to detect and address illicit activities while improving operational efficiency.

An intelligence-led approach is vital for overseeing and enforcing security at both legal and illegal entry points. Proactive, intelligence-driven operations must be prioritised to disrupt smuggling/trafficking networks and deter unlawful activities. Additionally, key Border Force personnel must be trained to effectively operate advanced detection tools and interpret data from biometric and surveillance systems, ensuring these resources are utilised to their full potential. Border Force authorities must prioritize the detection and investigation of higher threat ML offences and develop SOPs to guide investigations and referrals to the FCU for ML investigations. The SOP would also guide the asset recovery process ensuring preservation of value until the disposal of the asset.

The Border Force must also effectively implement the cash declaration system, including where necessary taking enforcement action and ensure that proper records are kept of all cash movements. Furthermore, trained Border Force investigators will identify suspicious ML/TF and other criminal activity and be equipped to undertake an initial parallel financial investigation, forwarding cases to the FCU, if ML/TF is suspected.

Inter-agency collaboration is also critical to strengthening border security. Coordinated efforts between the Border Force, the Financial Intelligence Agency (FIA), and international partners can enhance intelligence-sharing and enable swift, unified responses to threats. Public engagement programmes should also be established to encourage community members to report suspicious activities near ports or maritime areas, providing an additional layer of defence.

Regular maintenance of detection equipment and infrastructure must be prioritised to ensure the sustainability of these measures. Furthermore, strong legislative frameworks should be in place to support enforcement efforts, including penalties for smuggling and trafficking and mandatory

GOAL 3 – Enhance Border Control Measures

compliance with scanning and biometric systems at all ports of entry. These comprehensive measures will fortify TCI's border security and safeguard its national interests

Lead agency: Border Force

Other agencies: Royal Turks and Caicos Islands Police Force, Anti-Money Laundering Committee.

Actions

- **Enhanced Border Security**
 - Install additional remote Radar sites in high-risk areas to improve maritime domain awareness and detection of unauthorized vessels.
 - Improve capacity within Border Force regarding routine maintenance and troubleshooting of radar equipment at radar sites.
 - Improve surveillance, patrolling, and the use of technology like drones and biometric systems to monitor and control borders more effectively.
 - Implement SOP to streaming collaborations with AMLC LEA
- **Full implementation of the Trafficking in Persons (TiPs) Prevention Ordinance including formalising organisational structures and policies².**
 - Specialisation of investigators or the establishment of a specialised team of investigators or task force focussed specifically on HT/MS
- **International Cooperation**

² The Trafficking in Persons Prevention Ordinance gives effect to the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime

GOAL 3 – Enhance Border Control Measures

- Enhance coordination with regional partners to leverage operational assets within the region to identify and intercept vessels transporting illegal migrants and contraband goods.
- Engage international partners for example World Customs Organisation (WCO), the Caribbean Customs Organisation (CCLEC), US Immigration and Customs Enforcement (ICE), UK Border Force and others to share information, best practices, and resources to manage borders and combat human trafficking and smuggling networks.
- **Training and Capacity Building:** Providing training for Border Force officers on how to manage migration flows humanely being aware of and observing international conventions, and effectively executing their duties.
- **Public Awareness Campaigns**
 - Information Dissemination: Educating potential migrants about the risks of irregular migration.
 - Combating Misinformation: Addressing the misinformation spread by human traffickers and smugglers that often leads to dangerous migration journeys.
- High-Value Cargo Monitoring: Introduce systems to monitor high-value cargo shipments more effectively, focusing on trade-based money laundering (TBML) schemes.
- National Legislation: Updating national laws to ensure they align with international standards and effectively address the challenges of irregular migration while implementing and enforcing strict laws against human traffickers and smugglers.
- The mandatory requirement for all FBOs to be outfitted with baggage scanners.
- Utilization of cash and firearm sniffer canines.
- Training for officers in the areas of fraudulent document detection, passenger profiling, vessel and plane rummaging, airport procedures, report writing, fraud

GOAL 3 – Enhance Border Control Measures

detection, risk profiling, behavioural analysis, counter-terrorism, scanner operations, intelligence handling, etc.

- Continue implementation of the cash declaration system and enforcement action that may be taken.
- Continue to implement information sharing arrangements with members of the Anti-Money Laundering Committee.

GOAL 4 – Strengthen Oversight and Supervision

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Financial institutions, Designated Non-Financial Businesses and Professions (DNBPs) and NPOs in the Turks and Caicos Islands, each have their own money laundering and terrorist financing risks which must be managed within the legislative framework based upon international standards. This can only be achieved if there is proper vetting of relevant persons operating in these sectors and appropriate supervision and monitoring of these sectors including through onsite and offsite examinations, the frequency of which is aligned to identified risks faced by each.

Strategy

Adequate fit and proper checks and market entry controls are a first step against preventing known criminals or their associates from controlling or owning FIs, DNFBPs and NPO and ensuring that individuals in key roles have the necessary skills, knowledge and integrity to function in the market. Supervision is a critical factor in determining the effectiveness of licensees in implementing their AML/CFT responsibilities. The Gaming Control Commission as the supervisor for gaming and the Financial Services Commission as the supervisor/regulator of all financial sectors and other DNFBPs must ensure that they implement a risk based supervisory approach incorporating both on-site and off-site supervision activity. The registration of DNFBPs must be continued to ensure that their activities are monitored. A detailed assessment must be conducted with a view to ensuring that all identified risks are managed. Compliance gaps are to be closed through enforcement action. Additionally, there should be sufficient personnel with the required skills to conduct the supervision.

Lead agencies: Financial Services Commission and Gaming Control Commission

Other agencies: Anti-Money Laundering Committee, Attorney General's Chambers

GOAL 4 – Strengthen Oversight and Supervision

Actions

- Fit and proper assessments and market entry controls to be undertaken to prevent criminals and their associates from entering the financial services sector or holding positions of ownership and control of entities within the sector, and ensuring that FIs, DNFBPs and higher risk NPOs are capable and well-equipped to fulfil their AML/CFT obligations.
 - Explore the sharing of necessary information with the Supervisors for F&P purposes.
- Establish and implement a risk-based supervisory framework for FIs, DNFBPs and NPOs consistent with international standards and effective for combatting money laundering and terrorist financing.
- Assess the ML/TF/PF risks of virtual assets (VAs) & virtual assets service providers (VASPs) activities and develop a framework for the effective regulation and supervision of VAs & VASPs.
- FI, DNFBP and high-risk NPOs' risk mitigation measures and compliance with their AML/CFT obligations to be actively assessed through offsite monitoring and compliance visits with the frequency and scope driven by the level of risk within the sector, and where necessary take enforcement action to deter non-compliance.
- Assess the ML/TF risks associated with the different operators in the gaming sector. Determine the scope of the sector which, on the basis of risks, should be obligated to comply with AML/CTF regulations.
- Ensure that persons are not conducting activities in the absence of proper authorization.
- FSC/ GCC to ensure staff is trained to supervise entities compliance with AML/CFT requirements and effectively implement the AML/CFT framework for the respective sectors.

GOAL 4 – Strengthen Oversight and Supervision

- Undertake sectoral risk assessments of all higher risk sectors.
- Ensure that AML/CFT data is collected consistently and accurately from FIs, DNFBPs and NPOs, that it is updated and maintained in appropriate systems
- Ensure that resources, both human and operational, are available to implement supervision and monitoring programs.
- Continue training program for all supervision and regulatory staff and inspectors (in the case of the Gaming Control Commission) including management involved in AML/CFT supervision.
- Conclude review of NPOs to determine those that meet the FATF definition of NPOs and the risks and vulnerabilities of the sector to TF
- Ensure beneficial ownership (BO) information is adequate (sufficient to identify and verify the beneficial owners), accurate (up-to-date and verified), and current.
 - The FSC/ Companies Registry must ensure compliance with beneficial ownership requirements, applying effective sanctions where there is non-compliance, by:
 - Ensuring the legal, regulatory and institutional framework in place is consistent with FATF Recommendations 24 and 25.
 - Regular Inspections and Audits of financial institutions, legal entities, and other obliged entities (such as company service providers) to assess their compliance with beneficial ownership requirements. These inspections may involve reviewing records, verifying the accuracy of beneficial ownership information, and ensuring that proper due diligence processes are in place.
 - Risk-Based Supervision, focusing resources on entities that pose the highest risk of being used for ML/TF. Higher-risk entities may be subject to more frequent inspections and more stringent scrutiny.

GOAL 4 – Strengthen Oversight and Supervision

- Guidance and Training on how to comply with beneficial ownership requirements. This includes clear instructions on the documentation needed, the process for verifying beneficial ownership, and the legal obligations of the entities.
- Requiring entities to take corrective actions and implement remediation plans to address the deficiencies. This could involve updating beneficial ownership information, improving internal controls, or enhancing due diligence processes.
- Application of a range of Enforcement Actions and Sanctions including fines, restrictions on business activities, revocation of licenses, or even criminal prosecution for severe violations.
- Public Disclosure of the names of entities found to be in non-Compliance with BO requirements.
- Collaboration with other national and international authorities, including financial intelligence units (FIUs), law enforcement, and tax authorities, to share information and coordinate efforts to enforce beneficial ownership requirements
- Implementation of monitoring and reporting mechanisms³ that require entities to regularly report on their compliance with beneficial ownership requirements. This could include periodic filings of changes in BO.

³ For example, discrepancy reporting. **Discrepancy reporting of Beneficial Ownership (BO) information** refers to the process where entities, such as financial institutions, company service providers, or other obliged entities, are required to report any inconsistencies or discrepancies they identify between the beneficial ownership information provided by a client and the information recorded in official registries or databases. Discrepancies could include differences in the names, addresses, or ownership stakes of the beneficial owners, or the omission of certain beneficial owners who should be listed.

GOAL 5 – Improve Data Collection and Information Sharing

GOAL 5 – Improve Data Collection and Information Sharing

Key to assessing and understanding the threats and vulnerabilities which ML/TF pose to the Islands is the accessibility and availability of data. Without meaningful data, the AMLC, as the strategic and policymaking body, will not be able to make informed and prudent policy decisions aligned to the ML/TF/PF risks faced by the country.

The 2017 NRA and the current work to update the NRA, as well as the 2020 MER, highlighted that across stakeholders, critical data is not always available or may be fragmented. Notably, there is no consolidated record of incoming requests for information across all competent authorities. Additionally, data which may be useful in assessing the effectiveness of the AML/CFT regime is lacking. Where there is commonality of data which is captured by various stakeholders, there are inconsistencies in the approach taken to data capture, which may lead to variations in how stakeholders address ML/TF risks which exists in the country.

Strategy

Work on the collection of data from LEAs is in process. Each stakeholder will need to determine who will maintain what data and the way this data will be maintained. Where there is overlap in the activities of stakeholders, they should identify a mechanism for data capture of the various activities among agencies, such as the use of a common recording template. This information will need to be recorded in a form that is easily accessible. However, accessibility does not mean that the information is not to be secured. Where the data contains sensitive information, protocols should be in place to ensure that such information is protected and secured. In such cases, stakeholders may need to consider the release of sanitized versions of the data. The MoUs between various agencies establishing protocols to ensure the protection of data released must be utilised.

Lead agency: Anti-Money Laundering Committee.

Other agencies: Attorney General's Chambers, Border Force, the Financial Services Commission; the Royal Turks and Caicos Islands Police Force; Office of the Director of Public Prosecutions, the Financial Intelligence Agency, the Integrity Commission, the Gaming Control Commission and the Judiciary.

GOAL 5 – Improve Data Collection and Information Sharing

Actions

- **Each CA to ensure that they maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems.**
 - CAs to undertake a gap analysis to identify additional data required to be maintained.
 - At the relevant Focus Group, CAs to collaborate on the development of Data Collection mechanisms
 - Ensure that data capture and the approach to analysis is consistent among agencies
 - CAs to report to the AMLC on the extent to which their data collection is consistent with the [FATF Guidance on AML/CFT-related data and statistics](#) for each relevant Immediate Outcome.
- Develop key indicators that would allow for greater details and tracking of relevant predicate crimes.
- Create a common template for the collection of data in respect of law enforcement agencies, prosecutors and the courts.
- Ensure that data is maintained on the number of ML/TF cases investigated, prosecuted, the number of convictions and sentences/sanctions made in such cases.
- Compile data on the number of civil recovery actions taken where there was no ML conviction.
- Ensure that easily accessible statistics are recorded and maintained regarding the amount and value of assets seized, restrained/frozen or confiscated.
- Implement information sharing arrangements among the various CAs to allow for easier access to information, with the necessary safeguards for data protection.
- Ensure that data storage and access is secure.

GOAL 6 – Enhance Domestic Coordination and International Cooperation

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There must be public confidence that the TCI has a well-regulated financial services and DNFBP sector. The AMLC as the TCI's AML/CFT coordinating body seeks to ensure that all stakeholders are cooperating to mitigate against threats and risks to the financial system from ML/TF. Mechanisms, such as MoUs, task force and working groups, have been put in place to allow stakeholders that coordinate activities and share information to improve implementation of AML/CFT policies. Having an effective communication framework also assists in ensuring that the necessary national coordination is in place to ensure detection and prevention of ML/TF activities.

International cooperation will also assist with integrity and reputation of the TCI in areas of AML/CFT. Stakeholders need the ability to share information without unreasonable restriction with foreign counterparts in a manner that is secure and efficient.

Strategy

Among stakeholders, silos must be broken so that there is better coordination of actions, pooling of resources and less duplication of efforts. Sharing of information among the LEAs will assist in detection and investigation of all aspects of criminal activities and consequently lead to prosecutions with sound evidentiary basis. Coordination in respect of TFS related to both TF and PF has commenced but these efforts must be strengthened so that all relevant stakeholders understand their roles and responsibilities.

The TCI must build upon existing relationships, especially with regional counterparts to foster international cooperation in respect of investigating local predicate offences with transnational elements. Assistance that is available through international cooperation must be fully explored, including assistance with detection and investigation, training opportunities and development of operational resources.

Lead agency: Anti-Money Laundering Committee

Other agencies: Attorney General's Chambers, Border Force, Financial Services Commission; Royal Turks and Caicos Islands Police Force; Office of the Director of Public Prosecutions, Financial Intelligence Agency, Integrity Commission, Gaming Control Commission.

GOAL 6 – Enhance Domestic Coordination and International Cooperation

Actions

- Implement inter-agency procedures for more effective communication and coordination in the detection of ML/TF, including finalization of outstanding MoUs.
- Continue the implementation of information sharing arrangements among stakeholders involved in AML/CFT to allow for ease of access to information.
- Increase collaboration between the public and private sector stakeholders to allow for sharing of information in respect of risks and threats to the financial system.
- Ensure that stakeholders can provide the widest range of cooperation domestically and internationally, spontaneously or upon request, while safeguarding data security.
- Continue to pursue assistance from other jurisdictions, through all available channels, in respect of ML/TF matters or predicate crimes with transnational elements.
- Strengthen existing relationships with foreign counterparts through regular engagement and joint activities and explore ways in which foreign counterparts can assist to disrupt illicit activity, e.g., through training and capacity-building.
- Develop and/or utilise case management software to assist in the timeliness of responses to requests for assistance, and to prioritise requests and monitor incoming and outgoing requests.

GOAL 7 – Enhance Outreach and Guidance

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Engagement with the non-profit, financial, DNFBP and VA & VASP sectors on AML/CFT developments is key to the effective implementation of measures and to fostering a culture of cooperation, collaboration and compliance with requirements for due diligence on donors, beneficiaries, partners and customers, Beneficial Ownership (BO), Enhanced Due Diligence (EDD) for Politically Exposed Persons (PEPs), sanctions screening and asset freezes – Targeted Financial Sanctions (TFS) for TF and PF, and the filing of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs).

Strategy

Implement awareness raising programs across all AML/CFT obligated sectors. This may include sector specific programs along with programs opened generally to financial VASP, non-financial businesses and non-profit organisations. This should enable better understanding of the TCI's AML/CFT measures and the need for greater compliance with measures put in place to counter existing risks and threats.

Consideration should be given to whether there is a need for the issuance of further guidance to assist in understanding the application of the relevant AML/CFT laws.

Engagement with financial sector practitioners to develop better collaboration and national coordination on AML/CFT matters.

Lead agency: Financial Services Commission

Other agencies: The Financial Intelligence Agency, Gaming Control Commission, Customs Department, Attorney General's Chambers.

Actions

- Carry out targeted outreach and awareness sessions with FIs, DNFBPs and higher risk NPOs to improve the quality of business and organization risk assessment, ensure that they have a clear understanding of ML/TF risks relevant to their sector, and effective measures to prevent and detect ML/TF.

GOAL 7 – Enhance Outreach and Guidance

- Conduct awareness campaigns targeting financial institutions and DNFBPs to raise awareness on how to recognize suspicious activity, to highlight the importance of SARs, the consequences of non-compliance, and to assist them in identifying and reporting potential suspicious activity. Provide examples of typologies and case studies to illustrate how SARs have led to successful interventions. Focus on identifying suspicious activities, understanding red flags, and the correct procedures for submitting SARs, including attempted transactions.
- Review STR/SAR guidance to determine whether any further information should be provided. Maintain the feedback mechanism where the FIA provides feedback to reporting entities on the quality of their SARs. Evaluate SAR filings to determine whether the feedback and guidance has improved the quality and quantity of SAR filings.
- Continue work within the Public Private Stakeholders Forum (PPSF) to regularly engage with financial businesses, to increase collaboration on AML/CFT issues.
- Develop appropriate guidance⁴ for FIs, DNFBPs and NPOs to make them aware of ML/TF risks and to assist them to comply with their AML/CFT obligations.
- Provide guidance and outreach to the Gaming Sector on the AML/CFT obligations and requirements.
- Update guidance on Targeted Financial Sanctions, obligations under the Sanctions Order and the Prevention of Terrorism Ordinance including unfreezing or delisting and conduct outreach regarding same.
- Review TFS notification methods and enhance mechanisms used to create awareness of steps to take if there is a match to sanctioned persons or entities.

⁴ Similar guidance for VASPs once the legislative and regulatory framework is implemented.

GOAL 8 – Promote Financial Inclusion

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Promoting financial inclusion involves ensuring that individuals and businesses, particularly those in underserved or marginalised groups, have access to affordable and appropriate financial products and services. The World Bank (2018) defines financial inclusion as follows: *“The uptake and usage of a range of appropriate financial products and services by individuals and MSMEs, provided in a manner that is accessible and safe to the consumer and sustainable to the provider.”*

Strategy

This involves a combination of policy initiatives, technological advancements, and collaboration among stakeholders

Lead agency: Anti-Money Laundering Committee

Other agencies: Gaming Control Commission, Financial Services Commission, Attorney General's Chambers.

Actions

1. Assess the extent of financial inclusion and Financial Literacy, whether the policy and regulatory environment promotes financial inclusion and identification of demographic and geographic gaps.
2. **Develop Policy and Regulatory Frameworks:**
 - Adopt pro-inclusion policies such as a tiered Know Your Customer (KYC) requirement to allow basic accounts with simplified documentation for low-risk customers.
 - Develop a National Financial Inclusion Strategy
3. **Support Capacity Building**
 - Financial Literacy Programs: Educate the public on basic financial concepts, including saving, budgeting, and the use of financial products.

GOAL 8 – Promote Financial Inclusion

- Business Development Support: Provide training and support for small and medium-sized enterprises (SMEs) to enhance their financial management skills and access to credit.
- Initiatives focused on targeting socio-cultural and other barriers.

Conclusion

Producing this National AML/CFT Strategy to supplement the AMLC's strategic objectives as a guide to the stakeholders as they implement the actions required to advance the Turks and Caicos Islands is a key deliverable of the AMLC as we strive to ensure that the TCI is a secure and well-regulated jurisdiction that is effective in mitigating against money laundering, terrorist financing and proliferation financing.

Through achieving these goals and the supporting actions the AMLC will ensure that the measures, systems and processes to combat Money Laundering and Terrorist Financing are robust and effective and that the legislative framework and regulatory infrastructure of the Turks and Caicos Islands' financial services sector are fully implemented.

Glossary of Acronyms

ACRONYM	DEFINITION
AGC	Attorney General's Chamber
AML	Anti-Money Laundering
AMLC	Anti-Money Laundering Committee
AML/CFT	Anti-Money Laundering, Combatting the Financing of Terrorism and Combatting Proliferation Financing
BF	Border Force
CFATF	Caribbean Financial Action Task Force
DNFBP	Designated Non-Financial Businesses and Professions
FATF	Financial Action Task Force
FCU	Financial Crime Unit of the Royal Turks & Caicos Islands Police Force
FIA	Financial Intelligence Agency
FSC	Financial Services Commission
GCC	Gaming Control Commission
IC	Integrity Commission
LEA	Law Enforcement Agency
MER	Mutual Evaluation Report
ML	Money Laundering
MSB	Money Service Business
NPO	Non Profit Organisations
NRA	Money Laundering and Terrorist Financing National Risk Assessment
ODPP	Office of the Director of Public Prosecutions
PF	Proliferation Financing
POCO	Proceeds of Crime Ordinance
PTO	Prevention of Terrorism Ordinance
RTCIPF	Royal Turks & Caicos Islands Police Force
SAR	Suspicious Activity Report

Glossary of Acronyms

STR	Suspicious Transaction Report
TF	Terrorist Financing
TFS	Targeted Financial Sanctions
TCI	Turks and Caicos Islands
VA	Virtual Asset
VASP	Virtual Assets Service Provider

THE TURKS AND CAICOS ISLANDS ANTI-MONEY LAUNDERING COMMITTEE

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[/www.gov.tc/agc/services/amlc](http://www.gov.tc/agc/services/amlc)