



December 2019

New AML/CFT requirements

Regulations amending the primary anti-money laundering and countering the financing of terrorism (**AML/CFT**) legislation in Ireland were published on 25 November 2019. The European Union (Money Laundering and Terrorist Financing) Regulations 2019 (the **Regulations**) have been introduced to give further effect in Ireland to the 4th EU Money Laundering Directive.

The Regulations amend the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (the **Act**) by introducing new requirements applying to firms subject to the Act (**designated persons**) and to the authorities responsible for AML/CFT supervision and enforcement.

Internal reporting of AML/CFT breaches

The Regulations introduce a new requirement on designated persons to put in place appropriate procedures for their employees, or persons in a comparable position, to report any contravention of the Act internally through a “*specific, independent and anonymous channel*”. This new reporting procedure is required to be proportionate to the nature and size of the firm concerned.

The firm’s money laundering reporting officer (MLRO) will not necessarily be the appropriate recipient of reports of any breaches of the Act and it will be important to distinguish this new reporting procedure from any pre-existing procedure for the reporting of suspicions of money laundering activity.

For further information on any of the issues discussed in this article please contact:



Keith Waine

DD:+ 353 (0)1 673 1822

keith.waine@dilloneustace.ie

Duty to report convictions

A new provision added to the Act requires any management function holder or beneficial owner of a designated person to inform the competent authority (being the Central Bank of Ireland for financial service firms) within 30 days of being convicted of any offence under the Act or under other specified legislation relating to financial services, fraud, etc. The designated person itself also has an obligation to disclose the conviction to the competent authority within 30 days of becoming aware of it. Failure to make the disclosure in all cases will constitute a criminal offence punishable by a fine and/or imprisonment.

Other changes

The Regulations also introduce several new requirements on competent authorities (such as the Central Bank of Ireland) in relation to the carrying out their supervisory responsibilities. Most significant are the obligations to prevent persons convicted of a relevant offence from being involved with a designated person, to provide adequate resources and appropriately qualified staff and to co-operate and co-ordinate their activities with competent authorities in other EU Member States.

Next steps

The Regulations are effective from 18 November. Designated persons should ensure that they have in place appropriate policies and/or procedures addressing the requirements for internal reporting of breaches of the Act and the disclosure to the regulator of relevant convictions.

If you require assistance in assessing or meeting your AML/CFT obligations, please contact the writer or your usual contact in Dillon Eustace.

DILLON EUSTACE

Dublin

33 Sir John Rogerson's Quay, Dublin 2, Ireland. Tel: +353 1 667 0022 Fax: +353 1 667 0042.

Cayman Islands

Landmark Square, West Bay Road, PO Box 775, Grand Cayman KY1-9006, Cayman Islands. Tel: +1 345 949 0022 Fax: +1 345 945 0042.

New York

245 Park Avenue, 39th Floor, New York, NY 10167, U.S.A. Tel: +1 212 792 4166 Fax: +1 212 792 4167.

Tokyo

12th Floor, Yurakucho Itocia Building, 2-7-1 Yurakucho, Chiyoda-ku, Tokyo 100-0006, Japan. Tel: +813 6860 4885 Fax: +813 6860 4501.

DISCLAIMER:

This document is for information purposes only and does not purport to represent legal advice. If you have any queries or would like further information relating to any of the above matters, please refer to the contacts above in Dillon Eustace.

Copyright Notice:

© 2019 Dillon Eustace. All rights reserved.