



**Commonwealth of Dominica
MINISTRY OF FINANCE
Financial Services Unit**

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The Financial Services hereby issues the following guidance note on the appointment of a compliance Officer.

FSU Reference: GUIDANCE NOTE/001/2020

**GUIDANCE NOTE: APPOINTMENT OF THE COMPLIANCE OFFICER
OF A LICENSED FINANCIAL INSTITUTION AND SCHEDULE
ENTITY.**

The Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) legislation of the Commonwealth of Dominica requires that every financial institution (FI) and Scheduled Entity (SE) shall appoint a fit and proper senior staff person as Compliance Officer (CO). PART V, Sections 20 (1) of the Financial Services Unit Act no 18 of 2008.

The CO play a critical role towards ensuring the business complies with the AML/CFT legislative regime of Commonwealth of Dominica.

Directors/senior management of Financial Institutions (FIs) and Scheduled Entities (SEs) are required to appoint the CO as mandated for in legislation, (PART V, Section 20 (1) Financial Services Unit Act 18 of 2008) the Financial Services Unit of Commonwealth of Dominica ("the FSU"). This general guidance note provides information on procedures to ensure the appointment and guidance of the CO are done in accordance with the relevant laws and regulations.

1. Appointment of the CO.

The directors/senior management of an Entity or Professional is responsible for designating an employee who is suitable to perform the functions of the CO. Suitability is relative and contingent on the nature of business (types of products and customers), cash intensity and structure of the business. The respective designation(s) must be made immediately upon registration with the FSU.

a) Designated Non –Financial Business and Professionals, (DNFBP’S)

For DNFBP’S the CO, should be a manager or official employed at a managerial or senior level. Where the FI employs five (5) persons or less, the most senior employee shall be the CO.

Schedule Entity

For Entities and Professionals the designate CO can be either a senior employee of the business or such other competent professional (approved by the FSU). A competent professional should have qualifications in Law, Accountancy, Business, Management or other relevant qualifications and sound knowledge of AML/CFT laws and regulations and FATF standards as evidenced by certification and/or sufficient experience in AML/CFT.

Once the designation(s) is made, steps should now be taken to have the CO vetted by the FSU. Firstly, a Compliance Officer Fit and Proper Questionnaire (“the Questionnaire”) is completed and submitted to the FSU to start the approval process.

The criteria for the CO set out in the legislation is such, as the candidates will be required to make critical decisions and will be required to perform functions that require some autonomy, good judgment, pragmatism and knowledge.

2. Roles and responsibilities of the CO and Assistant Compliance Officer (ACO)

The CO is considered the guardian of the businesses’ AML/CFT compliance regime with responsibility for implementation of AML/CFT policies and procedures approved by directors/senior management.

A key relationship to ensure this occurs is the CO’s service as the official liaison between the entity and the FSU and FIU in Dominica. That is, the CO is the only official of the Entity or Professional that can submit Suspicious Transaction/Activity Reports (“STRs/SARs”) and Terrorist Property Reports (“TPRs”) to the FIU and the FSU. Some functions of the CO include:

- a) Ensure the Entity or Professional develop and implement effective procedures and controls required by the AML/CFT legislation (customer due diligence, record-keeping, training, monitoring, reporting of suspicious transactions and combating the financing of terrorism);
- b) Co-ordinate and monitor the AML/CFT policies approved by director/senior management to ensure continuous compliance;
- c) Assess the AML/CFT mechanism regularly to ensure that it is effective and sufficient to address any change in money laundering and financing of terrorism trends. Recommendations for changes should be submitted to directors/senior management;
- d) Receive and review internally generated suspicious transaction reports submitted by staff and report to the FIU; and

- e) Maintain manual or electronic records of reports submitted by staff, to the FIU and FSU.

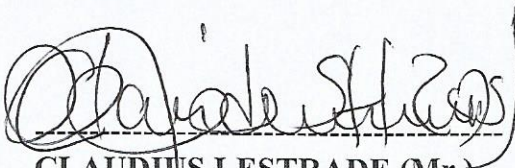
Though not mandated by law or regulations, Entities and Professionals should endeavor to include in their AML/CFT structure an Assistant Compliance Officer (ACO). The ACO only performs the function of the CO in their absence. This means, where the CO is unable to perform the functions, due to extended time away from the job, the ACO will perform the functions listed above. Additionally, the Regulators will be required to liaise with the CO on pertinent matters. Therefore, directors/senior management are/is required to notify the FSU/FIU, in a timely manner, of the period for which the CO will absent, to allow for the updated of the records at the FIU/FSU.

3. FSU Approval of the CO and ACO

Vetting of the CO and ACO by the relevant Supervisory Authority is very important and institutions should ensure that due process is adhered to at all times.

Be so guided.

Sincerely



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DIRECTOR
FINANCIAL SERVICES UNIT