



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Anti-Money Laundering and Countering the Financing of Terrorism Guidelines for the Financial Sector

Consultation Paper CP 128
21 December 2018

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1. Introduction

- 1.1 The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act, 2018 (the '2018 Act') was signed into law on 14 November 2018, and was commenced on 26 November 2018.
- 1.2 The primary purpose of the 2018 Act is to amend the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) (herein referred to as 'the Act') in order to transpose, in part, the Fourth EU Anti-Money Laundering Directive (2015/849) ("4AMLD") into national law.
- 1.3 The 2018 Act increases the obligations on a range of entities, such as credit and financial institutions ('Firms'), in relation to money laundering and terrorist financing. In particular, it imposes requirements on those entities relating to assessing the risks of money laundering and terrorist financing involved in carrying out their businesses, putting policies in place to mitigate that risk and carrying out customer due diligence measures. It also sets out the functions and powers of the Financial Intelligence Unit of the Garda Síochána.

2. Background

- 2.1 The Central Bank of Ireland (the 'Central Bank') is proposing to introduce the guidelines (the "Guidelines"), as set out in Schedule 1 of this Consultation Paper, in order to supplement Part 4 of the Act, which sets out the obligations on Firms to put in place systems and controls to prevent and detect money laundering and terrorist financing.
- 2.2 The purpose of the Guidelines is to set out the expectations of the Central Bank in respect of Firms compliance with their AML/CFT obligations, following the enactment of the 2018 Act. The Guidelines incorporate expectations set out in previous Central Bank publications that have been communicated to Firms via Central Bank AML/CFT Sector Reports, AML/CFT Bulletins, and relevant European Supervisory Authority Guidelines in addition to setting out the Bank's expectations with regard to additional obligations imposed under 4AMLD.

3. Objective of the Guidelines

- 3.1 As previously referenced at section 2.2 above, the purpose of the Guidelines is to assist Firms in understanding their obligations under Part 4 of the Act. The Guidelines do not purport to address, in detail, every aspect of the legislative requirements and should be read in

conjunction with the Act, as well as guidance and standards issued by Financial Action Task Force (FATF), European Supervisory Authorities (ESAs) and further guidelines/guidance or bulletins issued by the Central Bank.

- 3.2 The Central Bank may update or amend the Guidelines from time to time, as and when the need arises.

4. Proposal for consultation

- 4.1 The Central Bank invites general feedback on the Guidelines from interested stakeholders, including Firms, representative bodies, industry consultancies and service providers. In addition, the Central Bank requests that respondents consider the specific questions under section 5 of this Consultation Paper.

- 4.2 If making a submission, respondents must use the template provided in Schedule 2 of this Consultation Paper. Please note that the Central Bank will not consider submissions, which have been drafted in an alternative format to that provided for in the “Feedback Template”.

- 4.3 When submitting a response via email the Central Bank would ask that respondents include the following subject heading in their email ‘Consultation Paper 128’ and address the response to amlpolicy@centralbank.ie.

- 4.4 If making a submission by way of written correspondence the Central Bank would ask respondents to send the correspondence to the following address:

Consultation Paper 128
Anti-Money Laundering Division
Central Bank of Ireland
PO Box 11517
Dublin 1

- 4.5 The consultation will remain open for 15 weeks from 21 December 2018 until 5 April 2019.

- 4.6 The Central Bank will make all submissions available on its website. The Central Bank will not publish any information that it deems to be potentially libellous or defamatory.

5. Questions

5.1 The Central Bank asks respondents to consider the following questions in addition to any general comments or suggested changes to the Guidelines. Respondents should note that Guidelines are not intended to be sector specific. Accordingly, sector specific feedback is unlikely to be considered.

Questions

1. Are there any significant ambiguities in the text of the Guidelines?
2. What, if any, are the other areas that should be covered in the Guidelines or in future guidance?
3. With reference to specific sections, what other significant factors or examples could be included in the Guidelines?
4. What are the significant issues /or concerns or unintended consequences that might arise due to the content of the Guidelines?
5. The Central Bank has not included prescriptive/definitive examples of documentation that would satisfy customer identification and verification obligations. While firms are required to take a risk based approach, the maintenance of such a list in an ever-evolving environment may inhibit firms from using new technologies and/or other innovative solutions. However, if you are in favour of a prescriptive list, please provide details of documentation to be included, the rationale for its inclusion, and details of how such a prescriptive list could be “future proofed” in the rapidly changing technological environment that firms and supervisors now operate in.

6. Schedule 1

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7. Schedule 2: Feedback Template





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