

# ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM

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## Version History

Version	Date	Amendments
0.1	July 2013	Initial Version.
1.0	September 2013	Inserted link to guidelines issued by the Department of Finance on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing issued 10 February 2012.
1.1	May 2015	<ul style="list-style-type: none"> <li>• Name of chapter updated</li> <li>• Inserted new section on Central Bank communications and publications to assist credit unions in complying with the Criminal Justice Act 2010.</li> <li>• Updated legislative references to refer to the Criminal Justice Act 2013 and the Criminal Justice (Terrorist Offences) Act 2005</li> </ul>

## 1. Introduction

The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (the "CJA 2010") commenced on 15 July 2010.

The CJA 2010, as amended by Part 2 of the Criminal Justice Act 2013, transposes the Third Money Laundering Directive (2005/60/EC) and its Implementing Directive (2006/70/EC) into Irish Law, bringing Ireland into line with EU requirements and the recommendations of the Financial Action Task Force. Designated persons under the CJA 2010, including all credit and financial institutions (as defined in the CJA 2010) are required to comply with their obligations under the CJA 2010. The definition of terrorist financing is contained in the Criminal Justice (Terrorist Offences) Act 2005.

The CJA 2010:

- defines broadly the offence of money laundering;
- requires designated persons to identify non-domestic politically exposed persons (PEPs);
- requires identification of the beneficial owners of legal entities, such as companies and trusts;
- requires designated persons to focus on the level of risk of money laundering and terrorist financing in meeting their obligations under the CJA 2010; and
- requires the Central Bank to effectively monitor credit and financial institutions (as defined in the CJA 2010) with regard to their obligations under the CJA 2010, and to take measures that are reasonably necessary to secure their compliance.

## 2. Legislation

- The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010
- The Criminal Justice Act 2013
- Criminal Justice (Terrorist Offences ) Act 2005

## 3. Guidelines issued by the Department of Finance

On 10 February 2012, the Department of Finance issued the following guidelines on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing:

- [Guidelines On the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, Part 1 \(February 2012\)](#)

These guidelines contain core guidance which provides generic guidance that is applicable to all financial services designated persons.

On 6 February 2013, the Department of Finance issued the following sectoral guidance note for credit unions:

- [Guidance Notes on compliance with the Criminal Justice \(Money Laundering and Terrorist Financing\) Act, 2010 Part II Sectoral Guidance Note for Credit Unions \(January 2013\)](#)

These guidelines have not been approved under section 107 of the CJA 2010 which is a matter for the Department of Justice and Equality and the Department of Finance.

The Central Bank, as per the guidelines, "will have regard to these guidelines in assessing compliance by designated persons with the CJA 2010." As noted in the guidelines, "the guidelines are designed to guide designated persons on the application of the relevant provisions of the CJA 2010. The guidelines do not constitute secondary legislation and designated persons must always refer directly to the CJA 2010 when ascertaining their statutory obligations. The guidelines are subordinate to the CJA 2010."

Credit unions must ensure that they are in a position to demonstrate to the Central Bank that they are meeting the requirements as specified in the CJA 2010, as amended by the Criminal Justice Act 2013.

#### **4. Central Bank Publications**

The Central Bank has issued a number of communications and publications which may assist credit unions in achieving compliance with the CJA 2010. The most recent publication is the Central Bank's May 2015 '*Report on Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Financial Sanctions (FS) Compliance in the Irish Credit Union Sector*', which can be found at the following [link](#).

The Central Bank expects all credit unions to carefully consider the issues raised in the Report and to use the Report to inform the development of their AML/CFT and FS frameworks.

Other publications and items of correspondence which credit unions may find helpful in developing their AML/CFT and FS compliance frameworks include:

- [Report on Anti-Money Laundering Countering the Financing of Terrorism and Financial Sanctions Compliance in the Irish Banking Sector - Feb 2015](#)
- [Letter to industry - Customer due diligence requirements - Oct 2014](#)
- [Dear CEO Letter - Compliance with the CJA 2010 - Oct 2012](#)

## **5. Further information**

Further information on anti-money laundering is available on the Anti-Money Laundering section of the Central Bank website at the following [link](#).