



SEYCHELLES FINANCIAL INTELLIGENCE UNIT

GUIDELINES FOR SUBMISSION OF WIRE TRANSFER THRESHOLD REPORTS

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DEFINITIONS

For the purposes of these guidelines, unless otherwise provided –

Cash Transaction Threshold Reports means a report REs are required to file with the FIU for executing cash transactions above the prescribed threshold in terms of section 5 of the AML/ CFT Act, 2020.

Executing means to conduct or generate the wire transfer; thus, performing a wire transfer on behalf of the customer.

Financial Institution means any institution that conducts a business in one or more of the following activities or operations for or on behalf of a customer—

- (a) acceptance of deposits and other repayable funds from the public, including private banking;
- (b) lending, including but not limited to, consumer credit, mortgage credit, factoring, with or without recourse, and financing of commercial transactions, including forfeiting;
- (c) financial leasing other than with respect to arrangements relating to consumer products;
- (d) money or value transfer services;
- (e) issuing and managing means of payment, including, but not limited to, credit and debit cards, cheques, travellers' cheques, money orders, banker's drafts and electronic money;
- (f) issuing financial guarantees and commitments;
- (g) trading in —
 - (i) money market instruments, including, but not limited to, cheques, bills, certificates of deposit and derivatives;

- (ii) foreign exchange;
 - (iii) exchange, interest rate and index instruments;
 - (iv) transferable securities; and
 - (v) commodity futures trading.
- (h) participating in securities issues and the provision of financial services related to such issues;
- (i) individual and collective portfolio management;
- (j) safekeeping and administration of cash or liquid securities on behalf of other persons;
- (k) investing, administering or managing funds or money on behalf of other persons;
- (l) underwriting and placement of life insurance and other investment-related insurance, including insurance intermediation by agents and brokers;
- (m) money changing; and
- (n) carrying on such other activity, business or operation, as may be prescribed by regulations.

Financial Intelligence Unit means the body corporate established under Section 10 of the AML/ CFT Act, 2020.

Natural person is an individual who is present at a reporting entity to conduct a transaction on their own behalf or on behalf of a legal entity or person.

Reporter means a Compliance Officer (“CO”) or an Alternate Compliance Officer (“ACO”) appointed in terms of section 34 (1) and 34 (3) of the AML/ CFT Act, 2020 respectively and who shall be responsible for submitting WTTR to the FIU.

Wire Transfer means any transaction carried out on behalf of an originator through a

financial institution (“FI”) by electronic means with a view to making an amount of funds available to a beneficiary person at a beneficiary FI, irrespective of whether the originator and the beneficiary are the same person.

Wire Transfer Threshold Report means a report that FIs are required to submit to the FIU in terms of section 5 of the AML/ CFT Act, 2020 for executing wire transfers that meets or exceeds the prescribed threshold.

ACRONYMS AND ABBREVIATIONS

ACO	Alternate Compliance Officer
AML/ CFT ACT, 2020	Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020
CO	Compliance Officer
CTTR	Cash Transaction Threshold Report
FI	Financial Institution
FIU	Financial Intelligence Unit
ML/ TF	Money Laundering/ Terrorism Financing
RE	Reporting Entity
SCR	Seychelles Rupee
STR	Suspicious Transaction Report
WTTR	Wire Transfer Threshold Report

These guidelines provide details related to the procedures for submitting WTTR to the FIU.

APPLICATION OF THIS GUIDELINE

1.1 The objectives of these guidelines are to assist FIs executing wire transfers to comply with the wire transfer threshold reporting obligations in accordance with the AML/ CFT Act, 2020. It provides general guidance on the reporting obligation and procedures for submitting WTTRs to the FIU, in accordance with section 5 of the AML/ CFT Act, 2020. In particular, these guidelines explain reporting timelines, mandatory information to be included in the WTTR; and the procedure for submitting reports electronically to the FIU.

The procedures for **CTTR** are provided for in separate guidelines.

1.2 The FIU emphasises that the contents of these guidelines are to provide general information and guidance only, and is not intended to act as a substitute to the reader's own assessment, nor relieve the user of this guideline from the responsibility to exercising their own skill, knowledge and due care in relation to the specific circumstances of the transaction. As such, these guidelines are not intended to constitute legal advice from the FIU nor is it intended to replace the AML/ CFT Act, 2020.

1.3 In addition, FIs shall not confuse a wire transaction threshold report with an STR. If the FI has reasonable grounds to suspect that any service or transaction may be related to the commission of criminal conduct, including an offence of money laundering or terrorist financing activities, it shall submit an STR to the FIU, in line with the requirements under section 48 of the AML/ CFT Act, 2020 and related Regulations.

1.4 It is important for FIs executing wire transfers to understand that wire transfer threshold reporting is merely a threshold report and the transaction(s) may not necessarily involve criminal conduct. If the FI has reasonable grounds to suspect that any service or transaction may be related to the commission of criminal conduct, the FI is obliged to submit an STR, regardless of the amount of the transaction.

1.5 The FIU assures all FIs of the confidentiality and integrity of the information received by the FIU.

1.6 These guidelines shall take effect on **November 6th, 2020** and the first reporting of wire transfer transactions will commence on **December 1st, 2020**. The initial submission by FIs should include all reportable transactions from the commencement of the AML/ CFT Act, 2020 being August 28th, 2020.

INTRODUCTION

2.1 The Third Schedule of the AML/ CFT Act, 2020 provides the obligation for FIs to report to the FIU wire transfers at or above the prescribed threshold of SCR 50,000. Therefore, FIs executing wire transfers of SCR 50,000 or more, or the equivalent money in the currency of other countries are obligated to submit a WTTR to the FIU. Please refer to [Annexure 1.0](#) for the FIs and frequency for submission of WTTR.

PART 1: WHO MUST SUBMIT WTTR

3.1 The obligation to report wire transfers above the prescribed threshold in terms of section 5 of the AML/ CFT Act, 2020 applies to FIs who executes wire transfers. The objective of the WTTR is to ensure that information related to wire transfers is made available to the FIU, in a timely manner, to assist and support its analysis of financial information

3.2 This means that, in practice, the obligation to report information under section 5 of the AML/ CFT Act, 2020 is only for FIs that may legally execute the transactions of transferring funds on behalf of their clients to another client.

3.3 In accordance with Section 34 (2) (h) of the AML/ CFT Act, 2020, the CO has the function of liaison between the FI and the FIU, in all matters relating to ML/TF and for compliance with the provisions of the AML/ CFT Act, 2020. Accordingly, the CO shall be the reporter of wire transfer threshold reporting, for the purpose of section 5 AML/ CFT Act, 2020. The ACO appointed in line with section 34 (3) of the AML/ CFT, 2020 shall assume the role of reporter for wire transfer threshold reporting in the absence of the CO.

PART 2: WHEN ARE FIs REQUIRED TO SUBMIT WTTR

4.1 The obligation to report in terms of Section 5 of the AML/ CFT Act 2020, arises when a wire transfer, or multiple transfers are executed by an FI in one business day, that meets or exceeds the amount prescribed under serial number 2 of the Third Schedule (see below).

**THIRD SCHEDULE
(SECTION 5)
REPORTING THRESHOLD FOR WIRE TRANSACTIONS**

Every RE shall report each wire transfer that is executed of SCR 50,000 or more or the equivalent money in the currency of other countries.

- 4.2 Where a transaction is partly a wire transfer, the FI must submit a WTTR to the FIU for the wire transfer portion meeting or exceeding the prescribed threshold. If the other portion of the transaction involves a cash transaction that meets the CTTR reporting requirement, then the FI, as a RE in line with the First Schedule of the AML/ CFT Act, 2020 is also required to submit a CTTR to the FIU.
- 4.3 Provided hereunder is an example of an instance where FIs shall submit a WTTR. Please note the below referenced example does not constitute all possible reporting scenarios:

EXAMPLE 1: Customer Mr. X instructs the FI to execute a wire transfer in the morning for SCR 30,000 and in the afternoon of the same day instructs the RE to execute a wire transfer of SCR 25,000 to the same beneficiary. In this case a WTTR should be filed with the FIU indicating a wire transaction (aggregated amount) of SCR 55,000.

If the FI suspects Customer Mr. X is structuring the wire transfers to avoid its transaction from being reported through the wire transfer threshold reporting, the FI should also submit an STR to the FIU.

PART 3: INFORMATION REQUIRED IN A WTTR

5.1 Section 45 (1) of the AML/ CFT Act, 2020 provides that every RE while making a wire transfer shall record the particulars of the originator and the beneficiary of the transaction:

- a) full name of the originator;
- b) account number of the originator or, in the absence of an account number, the unique reference number allocated for such transfer;
- c) address or national identity number or customer identification number or date and place of birth of the originator;
- d) name of the beneficiary; and
- e) beneficiary account number or in the absence of an account number, the unique reference number allocated for such transfer.

Thus, FIs shall ensure that the above information is retained and the appropriate fields required in the WTTR reporting form are filled out. The FIs shall ensure that all information required in the WTTR reporting form are recorded where applicable.

PART 4: METHOD FOR FILING WTTR

- 6.1 In terms of section 5 of the AML/ CFT Act 2020, the WTTR must be filed with the FIU electronically by emailing the completed form to thresholdreporting@fiu.sc. The WTTR reporting form is available on the FIU website, www.seychellesfiu.sc.
- 6.2 For security purposes, all completed WTTR forms must be compressed and encrypted; followed by submission via email, as per the detailed process hereunder:
- a) The completed WTTR should be compressed into a zipped file (Follow the instruction and the video link on the FIU website (www.seychellesfiu.sc) on “*How To Compress & Encrypt Using Peazip*” for more information on how to compress and encrypt your WTTR form);
 - b) Password protect the zipped file before emailing to the FIU;
 - c) Email **only** the password-protected zipped file to the same email address; thresholdreporting@fiu.sc;
 - d) An acknowledgement from FIU, via return email, will be sent which confirms receipt of the WTTR;
 - e) After you receive the acknowledgement email from the FIU, then in a separate email you are requested to email the password and attach the key file (*encryption file*) to thresholdreporting@fiu.sc. This is a one-time exercise. You are advised to save the password securely and apply the same password every time when reporting to the FIU
 - f) This is the end of the process.
- 6.3 The steps from a) to e) are only for the first-time reporting. For subsequent reporting, only steps a), b) and c) will need to be performed.

PART 5: TIME PERIOD AND FREQUENCY OF WTTR SUBMISSION BY FIs

7.1 [Annexure 1.0](#) provides for submission period and frequency of reporting of WTTR by the FI to the FIU. FIs should ensure that accurate information is timeously reported to the FIU considering the provisions of section 5 of the AML/ CFT Act, 2020 and the FIU's reporting requirements provided herein.

PART 6: PENALTIES FOR NOT SUBMITTING A WTTR

8.1 Note that a FI, which fails to report a wire transfer under section 5 (1) of the AML/ CFT Act, 2020 or materially misrepresents the amount of such transaction, commits an offence and is liable to a fine not exceeding SCR 200,000 for each such failure pursuant to section 5 (3) of the AML/ CFT Act, 2020.

PART 7: PROCEDURES TO APPLY FOR EXEMPTIONS FROM WTTR OBLIGATIONS

9.1 On Behalf of a client.

A RE may apply for an exemption on behalf of their client by duly completing and submitting to the FIU a completed application using the "Threshold Reporting Exemption Form" on the following e-mail address: thresholdreporting@fiu.sc

The application for exemption should be submitted using the prescribed form available on the FIU website - www.seychellesfiu.sc and should include the full details of the RE; full details of the client; and a detailed justification for the exemption.

The FIU will notify the RE if the application has been approved, disapproved, or if more information is required.

9.2 FIs on their own behalf.

In addition, FIs may apply for a reporting exemption for transactions involving FI-to-FI transfer and settlements, where both the originator person and the beneficiary person are FIs acting on their own behalf.

Annexure 1.0: WTTR Reporting Requirements

Table 1: WTTR threshold and reporting frequency

No.	Sector	Threshold	Reporting frequency	Submission period
1.	Banks	Wire transfer that is executed of SCR 50,000 or more or the equivalent money in the currency of other countries.	Daily	By close of business daily