



Republic of Seychelles

The background of the cover is a large, abstract geometric pattern composed of numerous triangles of various sizes and colors. The colors transition from dark blue and light blue at the top, through yellow and orange in the middle, to green and red at the bottom. The triangles are arranged in a way that creates a sense of movement and depth.

SEYCHELLES NATIONAL

ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM

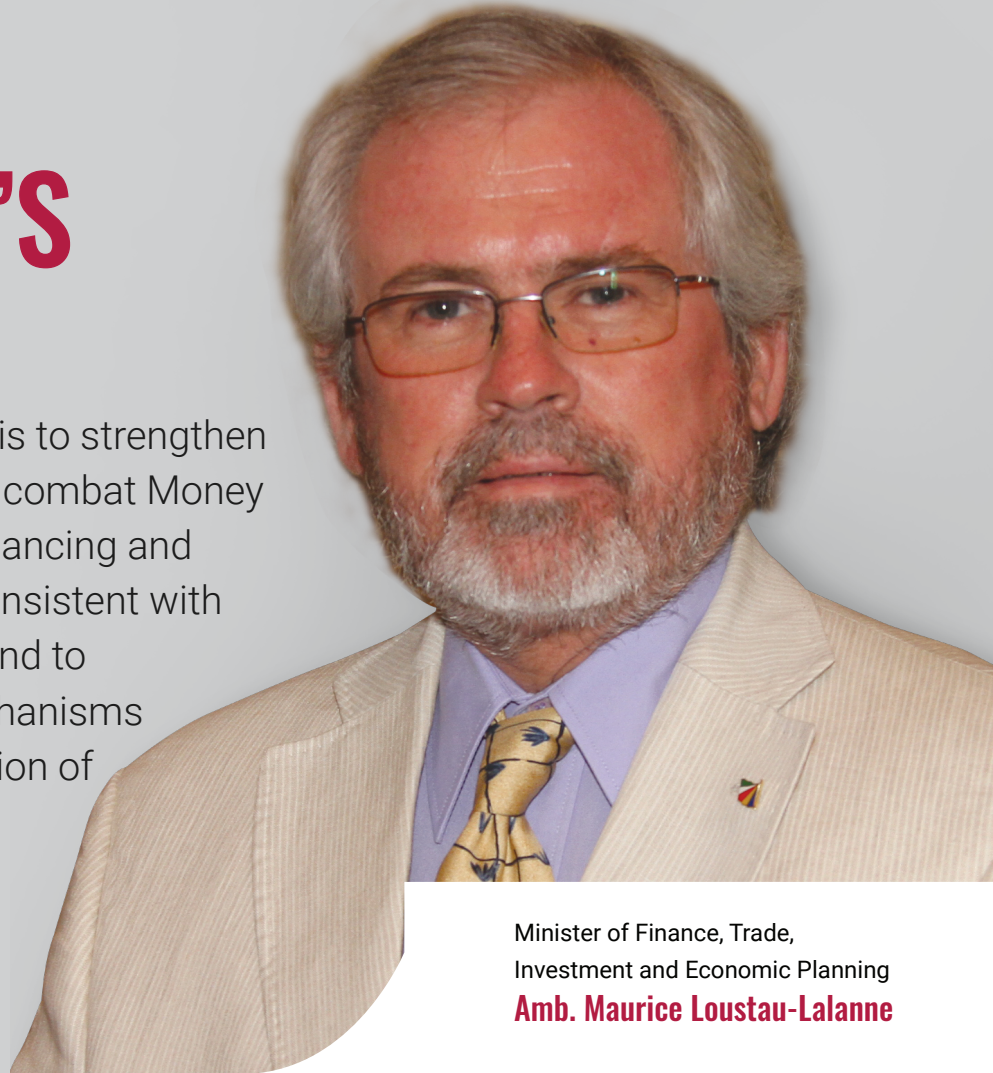
STRATEGY 2020-2023

TABLE OF CONTENTS

| | | |
|------------|--|---|
| 01. | GENERAL INFORMATION <ul style="list-style-type: none">• Minister's Foreword• Abbreviations and Acronyms• Vision, Mission and Values | Pg. 01 Pg. 03 Pg. 04 |
| 02. | BACKGROUND <ul style="list-style-type: none">• Introduction• Development of the National AML/CFT Strategy 2020-2023• National Anti-Money Laundering and Countering the Financing of Terrorism Committee | Pg. 05 Pg. 06 Pg. 07 |
| 03. | 5 STRATEGIC OBJECTIVES & CORE PRINCIPLES | Pg. 09 |
| 04. | STRATEGIC OBJECTIVE 1 <ul style="list-style-type: none">• Enhancing Seychelles' AML/CFT legal framework consistent with international standards for combatting ML/ TF and PF | Pg. 11 |
| 05. | STRATEGIC OBJECTIVE 2 <ul style="list-style-type: none">• Strengthening Domestic and International Cooperation in the fight against ML/TF and PF | Pg. 14 |
| 06. | STRATEGIC OBJECTIVE 3 <ul style="list-style-type: none">• Developing capacities of relevant public and private sector entities to combat ML/TF and PF | Pg. 16 |
| 07. | STRATEGIC OBJECTIVE 4 <ul style="list-style-type: none">• Developing effective Risk Based Supervision and Enforcement of AML/CFT and CPF measures | Pg. 18 |
| 08. | STRATEGIC OBJECTIVE 5 Strengthening intelligence, investigations, prosecutions and confiscations of ML/TF and PF | Pg. 20 |
| 09. | MONITORING OF THE STRATEGIC PLAN | Pg. 22 |
| 10. | ANNEXURE: 1.0 | Pg. 23 |

MINISTER'S FOREWORD

“The vision for Seychelles is to strengthen the national legislation to combat Money Laundering, Terrorism Financing and Proliferation Financing consistent with international standards, and to institute appropriate mechanisms for effective implementation of such legislation.”



Minister of Finance, Trade,
Investment and Economic Planning
Amb. Maurice Loustau-Lalanne

In 2018, Seychelles' first National Risk Assessment Report on Money Laundering and Terrorist Financing was promulgated, with the aim of identifying, understanding and assessing the risks faced by the country in relation to money laundering and terrorist financing. Consequently, the Government of Seychelles resolved to undertake reforms to the regulatory framework, addressing the challenges of an ever-changing money laundering landscape, recognising and remediating the limitations observed with the current regulatory and supervisory approaches in the country; and, placing particular emphasis on the detection, prevention and prosecution of money laundering and terrorist financing offences.

The ultimate goal is to ensure the continuous protection and integrity of the financial system. This entails promoting key national strategies that are intended to preserve the country's economic and financial stance. Responding to continuous money laundering threats and the global upsurge of terrorist financing, necessitates appropriate enforcement measures be implemented in line with international

best practices aimed at curtailing criminals' access to the financial system.

The Seychelles' Mutual Evaluation Report was published by ESAAMLG in 2018 following the second-round assessment of the Seychelles. The results emphasized the need to strengthen Seychelles' anti-money laundering framework. In response, the Government of Seychelles endorsed a policy paper for new anti-money laundering legislation in October 2018 through the Cabinet of Ministers.

The vision for Seychelles is to strengthen the national legislation to combat Money Laundering, Terrorism Financing and Proliferation Financing consistent with international standards, and to institute appropriate mechanisms for effective implementation of such legislation. To this end, there is a need to build capacities within law enforcement agencies and the Attorney General's Office for successful investigation and prosecution of criminal activities connected to money laundering. Moreover, the implementation of a sectoral supervisory framework and the adopti-

on of risk-based supervision will strengthen Anti-Money Laundering compliance by reporting entities. These measures will also strengthen international coordination in the fight against Money Laundering and Financing of Terrorism.

To achieve these milestones, the National Anti-Money Laundering/ Combating the Financing of Terrorism Committee ("NAC") was established, effective February 4, 2019. The Committee is Chaired by the Secretary of State in the Ministry of Finance, Trade, Investment and Economic Planning and comprises of high-ranking members from the Central Bank of Seychelles, Financial Intelligence Unit, Financial Services Authority, Seychelles Anti-Corruption Commission, Attorney General's Office, Office of the Registrar General, Seychelles Police Force, Ministry of Home Affairs and Seychelles Revenue Commission. This Committee is to set the strategic direction for the Anti-Money Laundering and Combating the Financing of Terrorism framework and direct measures for effective implementation. This Strategic Plan will help guide the NAC in achieving these important objectives.

ABBREVIATIONS AND ACRONYMS

| | |
|----------------|---|
| ACCS | Anti-Corruption Commission of Seychelles |
| AGO | Attorney General's Office |
| AML/CFT | Anti-Money Laundering and Countering the Financing of Terrorism |
| AML | Anti-Money Laundering |
| AMLA | Anti-Money Laundering Act 2006, as amended |
| ARINSA | Asset Recovery Inter-Agency Network for Southern Africa |
| CBS | Central Bank of Seychelles |
| CFT | Countering the Financing of Terrorism |
| CPF | Countering Proliferation Financing |
| CSP | Corporate Service Providers |
| DFA | Department of Foreign Affairs |
| DNFBP | Designated Non-Financial Businesses or Professions |
| ESAAMLG | Eastern and Southern Africa Anti-Money Laundering Group |
| FATF | Financial Action Task Force |
| FIs | Financial Institutions |
| FIU | Financial Intelligence Unit |
| FSA | Financial Services Authority |
| LEAs | Law Enforcement Agencies |
| MACMA | Mutual Assistance in Criminal Matters Act |
| ME | Mutual Evaluation |
| MER | Mutual Evaluation Report |
| ML | Money Laundering |
| MOFTIEP | Ministry of Finance, Trade, Investment and Economic Planning |
| NAC | National Anti-Money Laundering and Countering the Financing of Terrorism Committee |
| NCFTC | National Countering the Financing of Terrorism Committee |
| NPO | Non-Profit Organisation |
| NRA | National Risk Assessment |
| ORG | Office of the Registrar General |
| POCCCA | Proceeds of Crime (Civil Confiscation) Act, 2008 |
| PTR | Prevention of Terrorism (Implementation of UNSCR on Suppression of Terrorism) Regulations, 2015 |
| RBS | Risk Based Supervision |
| RE | Reporting Entities |
| SRC | Seychelles Revenue Commission |
| TAC | Technical Anti-Money Laundering and Countering the Financing of Terrorism Committee |
| TF | Terrorism Financing |
| VA | Virtual Asset |
| VASP | Virtual Asset Service Providers |
| UNSCR | United Nations Security Council Resolution |

VISION, MISSION AND VALUES

The vision is to safeguard the integrity of the country's financial system through adherence to international best practices and position Seychelles as a leading jurisdiction within the region in the fight against money laundering, terrorism financing and proliferation financing.



VISION

To deter, detect and disrupt domestic and international money laundering, terrorism financing and proliferation financing. This is to be achieved by ensuring regulatory compliance, the development of high-quality intelligence reports, enhancing the effectiveness of supervisory authorities, law enforcement, judiciary, domestic and international cooperation.

MISSION

VALUES

The NAC seeks to achieve its objectives through strict adherence to the following values: Professionalism; Justice; Accountability; Cooperation; Mutual Respect; Trust; Initiative; Confidentiality; Integrity and Transparency.

INTRODUCTION

In 2008, Seychelles established an Anti-Money Laundering and Countering of Financing of Terrorist Committee with the objective to coordinate AML/ CFT Strategy and Policies. Chaired by the FIU, the Committee was a platform for provision of advice to government on AML/CFT matters, fostering of domestic exchange of information and carrying out the national ML/TF risk assessment. This AML/CFT Committee was a multi-agency structure which successfully coordinated the AML/CFT Strategy 2015-2018 and the NRA.

In 2016, Seychelles undertook the task of conducting its first NRA, employing the NRA methodology developed by the World Bank. This was in conjunction with preparation for the Mutual Evaluation of Seychelles to be undertaken by the ESAAMLG against the FATF Recommendations 2012. The Seychelles' MER was approved and adopted by the ESAAMLG Council of Ministers in September 2018.

Highlighted hereunder are some of the key findings which emerged from these two assessments:

The NRA identified the following predicate offences as some of the most commonly prevalent within the country: drug trafficking, tax evasion, counterfeiting, forgery, corruption and bribery;

Based on statistics generated from LEAs, it was determined that tax evasion was the predicate offence from which the second largest estimates of the proceeds of crime was generated; at the top of this list was drugs trafficking;

The NRA revealed that RE lacked the knowledge both on the basics of AML/CFT and their statutory obligations under the AMLA. With the exception of FIs and ICSPs, there was a low level of understanding of ML/TF risks and AML/CFT obligations amongst the DNFBPs;

Both the NRA and the MER highlighted the resource constraints faced by the FIU as the underlying factor which contributed to the low number of inspections and awareness sessions targeting DNFBPs;

The AMLA did not provide for administrative sanctions in the event that RE are found to be non-compliant to their obligations under the AMLA; as a result, there are insufficient mechanisms to enforce compliance and to administer suitable sanctions which are proportionate, dissuasive and promote compliance;

Implementation concerns with the amendments to the POCCCA in 2017 which transferred the responsibility of civil confiscation from the FIU to the Seychelles Police; this change occurred towards the end of the NRA exercise and prior to the commencement of the ME Assessment; recognisant that it was too soon to test the effectiveness of the transfer, the ESAAMLG Assessment team requested that the Police be suitably empowered to undertake this new function; and

The MER also stressed that the National AML/CFT Strategy 2015–2018 was not borne out of Seychelles' ML/TF risks; whilst it was appreciated that there is clear understanding of the AML/ CFT risks at the national level, which has been reinforced by the findings of the NRA, this was not reflected in the 2015–2018 National Strategy document.

Following the ME exercise, relevant authorities undertook a comprehensive review of the Committee, its Terms of Reference and its mandate. As a result, in February 2019, the Minister of Finance established a new National Committee "NAC" under the Chairmanship of the Secretary of State for the MOFTIEP, which replaced the previous Committee. The NAC is responsible for coordinating and

fostering co-operation between domestic agencies as well as international partners. The Committee

meets regularly to consider AML/CFT developments affecting the country, and make recommendations to the Government.

DEVELOPMENT OF THE NATIONAL AML/CFT STRATEGY 2020-2023

Seychelles has formulated its National AML/CFT Strategy to mitigate its identified ML/TF risks and to positively address shortcomings in its AML/CFT framework. This Strategy is informed by the findings of the NRA, the second round of ME and it also supports the objectives of the NCFTC established under the PTR in 2015. The National strategy is guided by five core Strategic Objectives which together promotes a comprehensive overhaul of the Seychelles AML/CFT Framework which aims to contribute to the strengthening of Seychelles' ability to prevent, detect and deter ML/TF.

ORG

The Office of the Registrar General plays a key role in providing civil and administrative services on behalf of the government and is a key stakeholder in contributing to an effective AML/CFT regime through the registration of companies and associations that can be used to launder criminal proceeds.

FSA

The Financial Services Authority is an additional AML/CFT supervisor that regulates some non-banking financial institutions such as casinos and other important RE. The FSA's inputs are critical to establishing a comprehensive AML/CFT regime.

CBS

The Central Bank plays a key role in the fiscal stability of the country and also acts as the AML/CFT supervisor for most of the financial institutions operating in Seychelles.

SRC

The Seychelles Revenue Commission includes Customs and Tax authorities who plays a critical role in combating ML/TF. The tax authorities have access to important tax information that can support analysis and investigations into ML and TF offenses. Customs plays a significant role concerning the cross border movement of cash.

NATIONAL ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM COMMITTEE

The NAC is responsible for coordinating and fostering co-operation between domestic agencies as well as international partners. The Committee meets regularly to consider AML/CFT developments affecting the country, and make recommendations to the Government.





MOFTIEP

The Ministry of Finance, Trade, Investment and Economic Planning is the main driver for ensuring the integrity of the Seychelles' financial system through sustainable economic policies.

FIU

The Financial Intelligence Unit plays a key role as the national centre for receipt and analysis of suspicious transaction reports and other information relevant to ML, associated predicate offences and terrorist financing and for the dissemination of the results of that analysis. The FIU is critical to the AML/CFT regime as it also acts as the Secretariat of the NAC.

AGO

The Attorney General's Office is the highest-ranking law enforcement agency in Seychelles and as such is the driving force in pursuing prosecutions of criminal offences to include ML/TF and related offences. In addition, the AGO provides the necessary leadership concerning drafting AML/CFT legislation and regulations spearheading Seychelles commitment to meet its international obligations.

POLICE

The Seychelles Police force is the constitutionally designated entity to investigate criminal offenses and includes the specialised units such as the FCIU and Anti-Narcotics Bureau.

ACCS

The ACCS is a law enforcement body with a complex and important mandate. The ACCS focuses on significant corruption investigations that may include some elements of money laundering.

5 STRATEGIC OBJECTIVES

The Strategic Objectives are supported by Core Principles and action points which spans over a three-year timeframe.



1

CORE PRINCIPLES:

- 1.1 Strengthen the supervisory and enforcement legal framework;
- 1.2 Strengthen the legal capacity of the competent authorities to conduct investigations and prosecute ML/TF cases;
- 1.3 Criminalizing PF and establishing the legal framework that enables PF investigations; and
- 1.4 Strengthening the legislations governing international cooperation in the fight against ML/TF and PF to include Mutual Legal Assistance and Extradition.

2

CORE PRINCIPLES:

- 2.1 Instituting mechanisms and procedures among the relevant agencies to improve and enhance domestic coordination and cooperation in the fight against ML/TF and PF; and
- 2.2 Instituting mechanisms and procedures among the relevant agencies that promotes and enhances international cooperation in the fight against ML/ TF and PF.

3

CORE PRINCIPLES:

- 3.1 Instituting programs and targeted outreach that strengthens capacities of RE in the prevention of ML/TF and PF; and
- 3.2 Establishing and implementing programs that raise AML/CFT awareness for anti-money laundering and combating the financing of terrorism within key stakeholders to include, Judiciary and National Assembly.

4

CORE PRINCIPLES:

- 4.1 Establishing and implementing programs that strengthen the capacities of supervisory authorities in the fight against ML/TF and PF; and
- 4.2 Examine the implementation and enforcement of sanctions and develop a program to enhance effectiveness.

5

CORE PRINCIPLES:

- 5.1 Prioritize the effective use of intelligence, investigative techniques and evidence gathering by enforcement agencies in the fight against ML/TF and PF; while also promoting the capacity of the Judiciary to adjudicate ML/TF cases;
- 5.2 Establish and implement effective measures for criminal and civil asset freezing, seizure and confiscation of the proceeds and instrumentalities of crime; and
- 5.3 Implement enhanced measures at the border to strengthen controls on cross-border movements of cash and similar instruments.

Enhancing Seychelles' AML/CFT legal framework consistent with international standards of combatting ML/ TF and PF.

Overall objectives are to implement AML Act to strengthen the AML/ CFT supervisory framework and enforce compliance by RE with their obligations; strengthen the investigative and prosecutorial capabilities of domestic LEAs; criminalize Proliferation and PF and introduce measures and other mechanisms to implement targeted financial sanctions without delay; and, strengthen the legal provisions governing cooperation and exchange of information with foreign counterparts and international bodies.

CORE PRINCIPLE 1.1: Strengthen the supervisory and enforcement legal framework.

Threats And Vulnerabilities

The deficiencies in the Seychelles' supervisory functions, preventive measures and enforcement capabilities were highlighted by both the NRA and the MER. These were attributed to the lack of capacity within the FIU to undertake effective and efficient supervision of all the RE under its purview and the lack of enforcement provisions in the AMLA.

ACTION POINTS

Introduce and implement comprehensive legislation which provides:

- for the appointment of FSA, CBS and FIU as AML/CFT supervisors;

- for the application of proportionate preventive measures that are commensurate to the different classifications of RE and identified risks;

- an obligation for all RE to demonstrate that they have identified and assessed their ML/TF risks and have taken effective action to mitigate such risks;

- a proportionate and dissuasive enforcement framework to sanction RE which are non-compliant with their obligations;

- an obligation for VASPs and other obliged entities that engage in VA services or operations or provide VA products or services to identify, assess and take effective action to mitigate their ML/TF;

- an obligation for all existing RE to register with the FIU; and

- for the development of new or amendments to existing legislations; signing and ratification of the Convention on Cybercrime, and other related international conventions to, inter alia, enable the use of digital ID.

LEAD AGENCY: NAC

CORE PRINCIPLE 1.2: Strengthen the legal capacity of the competent authorities to conduct and prosecute ML/TF cases.

Threats And Vulnerabilities

The MER highlighted critical deficiencies in vital pieces of Seychelles' legislations which impedes the capacity of competent authorities to conduct and prosecute ML/TF cases.

ACTION POINTS

To address legislative deficiencies to provide for:

- a clear mandate for the Seychelles Police and ACCS to investigate ML/TF offences;

- the establishment of bank accounts as property subject to confiscation as well as properties of corresponding value;

- criminal liability for legal persons;

- the confiscation of the proceeds of crime and instrumentalities;

- a clear definition of property and criminality to capture all acquisitive crimes and criminalizing an individual terrorist; and

- a mechanism for management or disposition of properties subject to a confiscation or disposal order.

LEAD AGENCY: SEYCHELLES POLICE

CORE PRINCIPLE 1.3: Criminalizing proliferation financing and establishing the legal framework that enables PF investigations.

Threats And Vulnerabilities

Whilst it was noted in the NRA that the Seychelles' risk of Terrorist Financing was low, the Mutual Evaluation exercise revealed that there were no legislations nor mechanisms relating to the prevention of PF.

ACTION POINTS

Seychelles must adopt and implement effective legislation:

- for addressing /criminalizing proliferation and PF in line with relevant international standards;

- to monitor and supervise RE compliance vis-a-vis PF obligations; and

- to implement the requirement of the UNSCR targeted financial sanctions 1540, 2231 and 1718 as well as its successor resolutions;

LEAD AGENCY: AGO AND SUPERVISORY AUTHORITIES

CORE PRINCIPLE 1.4: Strengthening the legislations governing international cooperation in the fight against ML/TF and PF, to include Mutual Legal Assistance and Extradition.

Threats And Vulnerabilities

From the NRA and the MER, it was noted that whilst the authorities are cooperating with foreign counterparts through the sharing of information, the legal mechanisms in place are not robust enough to ensure the effectiveness of the information exchange and the extent to which domestic entities can engage with their foreign counterparts.

ACTION POINTS

To amend laws governing international cooperation to:

- render the provision of Mutual Legal Assistance in ML, TF and PF offences under the MACMA;
- increase the scope of the MACMA to be aligned with international standards;
- establish a legal framework to provide the basis for sharing confiscated property with other countries under MACMA;

- increase the scope for non-conviction-based forfeiture to include bank accounts;
- effect Terrorist Financing as an extraditable offence;
- empower the FIU to undertake international exchange of information independently in accordance with Egmont principles; and
- establish a legal framework in order to execute extradition requests in relation to ML/TF.

LEAD AGENCY: AGO

Strengthening Domestic and International Cooperation in the fight against ML/TF and PF.

Overall objectives are to implement mechanisms for domestic cooperation and coordination on ML/TF and PF issues at the operational and policy levels consistent with relevant international standards; facilitate the effective operation of the jurisdiction's AML/CFT framework; and, build on the existing international cooperation arrangement and legal framework to allow for the widest range of international cooperation in a timely and efficient manner.

CORE PRINCIPLE 2.1: Instituting mechanisms and procedures among the relevant agencies to improve and enhance domestic coordination and cooperation in the fight against ML/TF and PF.

Threats And Vulnerabilities

The MER deduced that the LEAs have no mechanism in place to coordinate their actions and cooperate with each other on investigations. The assessors opined that this could be attributed to the limited attention being paid to carrying out parallel financial investigations and pursuing ML convictions, in addition to the lack of capacity. Moreover, it has been determined that Seychelles has no mechanism in place which promotes coordination and cooperation in respect of combating PF.

ACTION POINTS

- The NAC develops and implements the overall AML/CFT strategy and oversees its execution to include ensuring that approved strategies and objectives are positively reflected in key stakeholders' operational and strategic plans;
- The NAC ensures policies and measures to combat ML/TF and PF are effectively implemented;
- Develop mechanisms at the technical level that creates a "whole of government approach" to identifying and mitigating ML/TF and PF threats and vulnerabilities;
- Consistent with domestic law, establish protocols and instruments that facilitates effective and efficient information sharing amongst stakeholders;
- The NAC empowers sub-committees and working groups to identify issues, deficiencies, and barriers; and, submit options and recommendations for NAC's consideration and implementation;
- Produce an annual publication to report progress on AML/CFT and CPF matters, highlighting the growth of domestic coordination and collaboration; and
- Develop a Communications Strategy to apprise the public on the status of the AML/ CFT and CPF agenda.

LEAD AGENCY: NAC

CORE PRINCIPLE 2.2: Instituting mechanisms and procedures among the relevant agencies that promotes and enhances international cooperation in the fight against ML/ TF and PF.

Threats And Vulnerabilities

The MER concluded that whilst Seychelles has a legal framework and a number of bilateral and multilateral arrangements to facilitate international cooperation, the legal provisions is limited for rendering Mutual Legal Assistance and Extradition on ML/TF matters. Moreover, even though Seychelles has sought cooperation to pursue investigation and prosecution of predicate offences, there have been no similar action in respect of ML and TF cases.

ACTION POINTS

- Relevant competent authorities to dedicate sufficient resources (liaison officer[s]) to manage international cooperation, efficiently and effectively;
- Establish a dedicated department(s) within the AGO that is sufficiently staffed to handle Mutual Legal Assistance and Extradition matters;
- Relevant competent authorities develop case management systems (compatible if feasible) to ensure accurate and accessible statistical data is maintained as it relates to informal and formal international cooperation as well as tracking response times concerning requests;
- Relevant competent authorities develop mechanisms to seek feedback to assist in evaluating the quality and effectiveness of information provided and exchanged;
- Prioritize and proactively pursue bilateral and multilateral relationships/agreements which enhance international cooperation based on the NRA as well as government priorities;
- Cooperate with ESAAMLG and engage with the activities/typologies being developed regionally that are of keen interest to Seychelles.
- Expand cooperation with foreign FIUs within the framework of the Egmont Group by means of signing new cooperation agreements with member FIUs, targeting priority FIUs, as well as actively participate in initiatives of the Egmont Group of significance to Seychelles;
- Strengthen bilateral relations between law enforcement, supervisory bodies and other relevant foreign counterparts involved in the fight against ML/TF and PF by identifying critical partners, engaging in cooperation agreements where advantageous, promoting mutual contacts, and establishing liaison protocols; informed by NRA and case work in order to prioritize engagement; and
- Prioritize engagement with pertinent international bodies (ESAAMLG, FATF, EGMONT, ARINSA, etc.) that are germane to the fight against ML/TF and PF in an effort to assist in identifying risks, new global trends and methods germane to Seychelles.

LEAD AGENCY: NAC

Developing capacities of relevant public and private sector entities to combat ML/TF/PF

Overall objectives are to implement mechanisms to ensure that RE have highly qualified staff that are able to identify and assess potential and existing ML/TF and PF risks; develop and apply adequate tools for their mitigation; and, ensure that all key stakeholders across government, including Ministers, Chief Executive Officers, Judiciary, National Assembly and relevant frontline personnel, are aware of the threats of ML/TF and the vulnerabilities of the Seychelles to those threats, so that the country policy is geared towards countering those risks.

CORE PRINCIPLE 3.1: Instituting programs and targeted outreach that strengthens capacities of RE in the prevention of ML/TF and PF.

Threats And Vulnerabilities

The NRA as well the MER revealed that whilst FIs and CSPs demonstrated an adequate understanding of AML/CFT and ML/TF risks, this was not the case amongst the DNFBPs. This has been attributed partly to the limited supervisory activities within those particular sectors.

ACTION POINTS

- Ensure the appropriate development of relevant professional capacities of the compliance staff of RE (targeting and prioritizing based on risks and needs) by means of supervision, monitoring, providing guidelines, training, education and qualification;
- Ensure compliance and effective enforcement of applicable internal regulations of RE by means of routine desk reviews; and, verification of effective implementation during on-site inspections;
- Develop programs that promote and encourage non-cash transactions, avoiding the health, safety and other concerns related to handling cash, while still embracing AML/CFT appropriate measures.
- Ensure that policies, procedures and controls for RE are updated when necessary; assist RE in identifying and assessing ML/TF and PF risks by providing typologies, issuing guidance, risk indicators and other relevant information;
- Realize lasting forums where guidance, training, consultation, and feedback are supported to help promote improved reporting of suspicious transactions by RE; and
- Promote e-KYC and digital verification solutions to enable more remote-digitised on-boarding, to provide opportunities for safer, yet verifiable, services to public and private sector clients.

LEAD AGENCY: SUPERVISORY AUTHORITIES

CORE PRINCIPLE 3.2: Establishing and implementing programs that raise AML/CFT awareness within key stakeholders to include, Judiciary and National Assembly.

Threats And Vulnerabilities

To promote effectiveness, ensure continued infrastructure support, and to maintain vigilance in combating ML/TF and PF, it is beneficial to continuously update Ministers, Parliamentarians, Chief Executive Officers, Judiciary, Departmental Heads and Senior Officers of the ML/TF and PF risks facing Seychelles.

ACTION POINTS

■ Ensure that AML/CFT/CPF training for Government officials properly addresses the international standards which the Seychelles has agreed to implement;

■ Develop and implement training programs for appropriate front-line staff of all key stakeholders, government departments and regulatory authorities; and

■ Design and deliver targeted programs for raising awareness of AML/CFT/CPF matters with key stakeholders;

LEAD AGENCY: NAC

Developing effective Risk Based Supervision and Enforcement of AML/CFT and CPF measures

Overall objectives are to implement mechanisms to ensure that all the AML/CFT and CPF supervisors have the necessary tools, both legal and operational, to effectively deliver on their mandates; and to develop an enforcement regime which is proportionate, dissuasive and effective.

CORE PRINCIPLE 4.1: Establishing and implementing programs that strengthen the capacities of supervisory authorities in the fight against ML/TF and PF.

Threats And Vulnerabilities

The limited capacity within the FIU to efficiently and effectively conduct examinations of all the RE under the previous AMLA contributed to the national vulnerability to ML/TF. The ML/TF threats and vulnerabilities have been identified but the FIU does not have the capacity to properly supervise all RE.

ACTION POINTS

Through targeted training programs, workshops, and seminars, progressively increase the capacity of the relevant supervisory staff members to include an emphasis on RBS with specific sector focus;

Develop and implement an ongoing training programme for the sectoral supervisors for enhanced understanding of the domestic and international AML/CFT landscape with particular focus on sectoral risks, mitigating measures, legislative framework and the international standards;

Develop a supervisory program with appropriate policies, procedures, guidance and manuals that provides for the application of RBS (both off and on-site examination) of all reporting sectors (FIs and DNFBPs) as well as the high risk NPO Sector;

Under the guidance of the NAC, develop a coordinating mechanism for all the sectoral supervisors promoting domestic coordination, effective information exchange, to include supervisory methods, outlooks and actions;

Ensure other competent authorities are integrated where necessary, to continuously update the national understanding of ML/ TF and PF risks;

Build capacity within all the Supervisory Authorities to conduct Sectoral Risk Assessments to better understand the reporting sectors and to effectively channel resources to high risk entities; and

Ensure that Sectorial Supervisors organize joint and/or separate outreach and awareness raising seminars inviting all RE under their respective purview.

LEAD AGENCY: SUPERVISORY AUTHORITIES

CORE PRINCIPLE 4.2: Examine the implementation and enforcement of sanctions and develop a program to enhance effectiveness.

Threats And Vulnerabilities

Both the NRA and the MER, have identified deficiencies in the domestic Enforcement Regime in view of the lack of sanctions applied for violations of ML/TF obligations.

ACTION POINTS

■ Ensure that all the Supervisors are suitably empowered through the AML/CFT legal framework to apply a range of proportionate and dissuasive sanctions on RE which fail to comply with their obligations; to include a wide range of administrative and criminal measures;

■ Maintain statistics on the referral for criminal sanctions and the outcome thereof;

■ Maintain granular statistics on the level and types of sanctions applied to RE;

■ Develop a coordinating mechanism for all the sectoral supervisors to coordinate domestically and effectively exchange information with other supervisors to ensure just and uniform application of appropriate sanctions; and

■ Develop and issue guidance to apprise RE regarding the application of sanctions, and the circumstances under which it may escalate to criminal sanctions.

LEAD AGENCY: SUPERVISORY AUTHORITIES

Strengthening intelligence, investigations, prosecutions and confiscations of ML/TF and PF

Overall objectives are to implement mechanisms to build capacity related to the emerging threats of ML/TF, PF and related predicate offences to relevant LEAs whilst reinforcing succession planning; adequately support the Police and other relevant LEA with adequate resources to ensure that asset forfeiture and recovery are effective; and, create awareness amongst border control personnel and other LEAs to address the identified deficiencies.

CORE PRINCIPLE 5.1: Prioritize the effective use of intelligence, investigative techniques and evidence gathering by enforcement agencies in the fight against ML/TF and PF; while also promoting the capacity of the Judiciary to adjudicate ML/TF cases.

Threats And Vulnerabilities

The MER identified LEAs in Seychelles lack the necessary capacity to identify and investigate potential cases of ML, as well as coordinating parallel financial investigations and applying special investigative techniques. This finding is perceived to be a severe deficiency as criminals who are abusing the country's financial system to launder money, are not being successfully prosecuted. In addition, the NRA and MER identified capacity issues concerning adjudicating ML cases by the Judiciary.

ACTION POINTS

Establish and execute procedures and processes between the FIU, Police, ACCS, SRC and other relevant enforcement authorities for combating ML/TF, PF and related predicate offences that will also include undertakings and coordination;

Establish and execute inter-agency procedures and protocols (Vetting, Task Force, etc.) to allow joint agency engagement and resourcing of financial crime investigations as necessary;

Enhance investigative and prosecutorial capabilities including resources, specialization and tools, to improve the number of investigations and subsequent prosecutions;

Develop structured trainings on ML/TF and PF for LEAs and the Judiciary;

Develop national programme to upskill intelligence, analytical, investigative and legal staff (of all relevant stakeholders) to take on complex ML/TF, PF cases and the underlying predicate offences;

Maintain comprehensive statistics to aid in identifying trends and emerging ML/TF/PF risks; and

Develop structured trainings on cybercrime for LEAs and the Judiciary.

LEAD AGENCY: POLICE, ACCS, SRC, AGO

CORE PRINCIPLE 5.2: Establish and implement effective measures for criminal forfeiture and civil asset recovery and confiscation of the proceeds and instrumentalities of crime.

Threats And Vulnerabilities

The MER highlighted that the transfer of the assets recovery function from the FIU to the Police following the 2017 amendments of the POCCCA had a negative result on the civil confiscation component of ML/TF. Subsequent resignation of experienced and trained officers has further limited the capacity of the unit to effectively handle asset recovery cases. In addition, there was an overreliance on POCCCA resulting in reduced application of the AMLA in pursuit of criminal ML confiscations.

ACTION POINTS

- Develop an assets recovery model which will include proper handling, maintenance, and subsequent disposal of assets seized;
- Provide training on the adopted assets recovery model to the relevant LEAs, the AGO and the Judiciary;
- Provide required training to LEAs, AGO and Judiciary involved in asset recovery, forfeiture and confiscation;
- Develop an effective mechanism (Task Force or other mechanism(s)) to facilitate information and intelligence exchanges to aid successful investigations, prosecutions and confiscations of ML/TF/PF violations;
- Formulate a remuneration plan, budget permitting, with the assistance of the Ministry of Finance to attract and retain professional employees; and
- Maintain statistics on ML/TF investigations, asset recovery, forfeiture and confiscation cases.

LEAD AGENCY: SEYCHELLES POLICE, AGO, SRC AND ACCS

CORE PRINCIPLE 5.3: Implement enhanced measures at the border to strengthen controls on cross-border movements of cash and similar instruments.

Threats And Vulnerabilities

Despite relevant sections of the AMLA which covers cash couriers, in practice, the particular sections are not being fully implemented. Cash declaration is only being made on entry at the airport and not upon exit of the Seychelles. Successful interdictions have determined an affiliation with drug related activities and networks.

ACTION POINTS

- Introduce and implement new control measures e.g. cash declaration forms for passengers exiting and arriving into Seychelles at all ports of exit and entry;
- Strengthen current mechanisms to improve reporting on movements on entries and exits at all ports and marinas;
- Improve reporting on movements at airport (including private jets), seaports and marinas (including private yachts);
- Effect training and awareness program amongst border control personnel and other relevant LEAs;
- Introduce an efficient reporting mechanism (goAML) to refer all declarations made to FIU for collation and analysis;
- Maintain statistics on interdictions, cash seizures and data on training; and
- Introduce an IT based system, budget permitting, such as APIS (Advanced Passenger Information System) to assist border authorities properly control passenger movements at the airport.

LEAD AGENCY: SRC AND MOFTIEP

MONITORING AND EVALUATION OF THE STRATEGIC PLAN

The Strategic Plan will be subjected to periodic SWOT analysis and review by the NAC, in consultation with the NCFTC, to monitor progress. In addition, at the end of the strategic cycle a comprehensive assessment of the level of its implementa-

tion in terms of achievements, constraints and challenges will be completed under the direction of the NAC. The outcomes of the evaluation will provide logical input for the formulation of the subsequent strategic plan.

ANNEXURE: 1.0

| CORE PRINCIPLES | ACTION | LEAD AGENCIES | OTHER AGENCIES | TIMELINE |
|---|---|---------------------------------|--|----------------|
| STRATEGIC OBJECTIVE 1: Enhancing Seychelles' legal framework consistent with the international standards for ML/TF and PF. | | | | |
| 1.1 | Strengthen the supervisory and enforcement legal framework; | NAC | AGO, CBS, FSA, FIU and ORG | September 2020 |
| 1.2 | Strengthen the legal capacity of the competent authorities to conduct investigations and prosecute ML/TF cases; | Seychelles Police | AGO and ACCS | December 2020 |
| 1.3 | Criminalizing PF and establishing the legal framework that enables PF investigations; | AGO and Supervisory Authorities | AGO, CBS, FIU, FSA, Seychelles Police and NCFTC | August 2021 |
| 1.4 | Strengthening the legislations governing international cooperation in the fight against ML/TF and PF to include Mutual Legal Assistance and Extradition. | AGO | FIU, DFA and Seychelles Police | June 2021 |
| STRATEGIC OBJECTIVE 2: Strengthening domestic and international cooperation in the fight against ML/TF and PF. | | | | |
| 2.1 | Instituting mechanisms and procedures among the relevant agencies to improve and enhance domestic coordination and cooperation in the fight against ML/TF and PF; | NAC | | March 2021 |
| 2.2 | Instituting mechanisms and procedures among the relevant agencies that promotes and enhances international cooperation in the fight against ML/ TF and PF; | NAC | MOFTIEP, DFA, AGO, FIU, Seychelles Police, ACCS, FSA, CBS and SRC | March 2021 |
| STRATEGIC OBJECTIVE 3: Developing capacities of relevant public and private sector entities to combat ML/TF/PF | | | | |
| 3.1 | Instituting programs and targeted outreach that strengthens capacities of RE in the prevention of ML/TF and PF; | Supervisory Authorities | MOFTIEP | June 2021 |
| 3.2 | Establishing and implementing programs that raise AML/CFT awareness within key stakeholders to include, Judiciary and National Assembly. | NAC | FSA, CBS, FIU, Other Ministries, Departments, Judiciary and Parliament | December 2021 |

| STRATEGIC OBJECTIVE 4: Developing effective RBS and implementing effective enforcement of AML/CFT and CPF measures. | | | | |
|---|--|--------------------------------------|-----------------------------------|----------------|
| 4.1 | Establishing and implementing programs that strengthen the capacities of supervisory authorities in the fight against ML/TF and PF; | Supervisory Authorities | NAC and MOFTIEP | September 2020 |
| 4.2 | Examine the implementation and enforcement of sanctions and develop a program to enhance effectiveness. | Supervisory Authorities | NAC | December 2021 |
| STRATEGIC OBJECTIVE 5: Strengthening intelligence, investigations, prosecutions and confiscations of ML/TF and PF | | | | |
| 5.1 | Prioritize the effective use of intelligence, investigative techniques and evidence gathering by enforcement agencies in the fight against ML/TF and PF; while also promoting the capacity of the Judiciary to adjudicate ML/TF cases. | Seychelles Police, ACCS, SRC and AGO | FIU and NAC | August 2021 |
| 5.2 | Establish and implement effective measures for criminal and civil asset freezing, seizure and confiscation of the proceeds and instrumentalities of crime; | Seychelles Police, AGO, SRC and ACCS | NAC and MOFTIEP | August 2021 |
| 5.3 | Implement enhanced measures at the border to strengthen controls on cross-border movements of cash and similar instruments; | SRC and MOFTIEP | FIU, Police, Immigration and ACCS | December 2020 |



**NATIONAL ANTI-MONEY LAUNDERING
AND COUNTERING THE FINANCING
OF TERRORISM COMMITTEE**