



FSMA

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# FSMA NEWS

Newsletter  
**AMLCO**

June 2022

## FIGHTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM (“AML/CFT”)

**AML compliance officers (“AMLCOs”) play an essential role in the fight against money laundering and terrorist financing (hereinafter “AML/CFT”).**

Given the importance of their tasks, the FSMA wishes to increase the exchange of information with AMLCOs, in particular by publishing newsletters and organizing events intended specifically for them. By means of this newsletter, the FSMA aims to inform AMLCOs of recent developments regarding AML/CFT and of upcoming events.

## !SAVE THE DATE! 3 OCTOBER 2022: ORGANIZATION OF THE FIRST EDITION OF THE AMLCO DAYS (WEBINAR)

**Block 3 October 2022 in your calendar: the FSMA is organizing the first edition of the AMLCO Days.** These events are designed for AMLCOs and aim, in particular, to inform them about regulatory developments, to provide details on the implementation of the AML/CFT rules and to give feedback on the supervision conducted by the FSMA.

This first edition will take place in the form of a half-day webinar. It is aimed at AMLCOs from all entities that are subject to the AML/CFT law<sup>1</sup> and supervised by the FSMA<sup>2</sup>. The aim of this first event is to make AMLCOs aware of the importance of their function and to clarify the FSMA's expectations regarding their various tasks. In this context, the FSMA will elaborate on the content of the new [EBA-guidelines](#) regarding the role and responsibilities of AMLCOs. The CTIF-CFI will also take part in the event in order to explain its latest guidelines on the reporting of suspicious transactions.

## THE AMLCO'S ANNUAL ACTIVITY REPORT: DEADLINE FOR SUBMITTING THE REPORT TO THE FSMA

AMLCOs are required to prepare an activity report at least once a year and systematically send a copy to the FSMA<sup>3</sup>. **The FSMA requests AMLCOs to submit this copy by 15 May following the reporting year.** Communication FSMA\_2020\_12 (available in [French](#) - [Dutch](#) only) on the content of the AMLCOs' annual activity reports was adapted on 15 June 2022 to specify this new deadline.



**Please note !** Insurance intermediaries subject to the AML/CFT Law<sup>4</sup> are only required to keep this report at the disposal of the FSMA and to submit it immediately on request.

By meticulously preparing their annual activity report, AMLCOs ensure that they inform their senior management and their statutory governing body, as well as the FSMA, about all their activities, about the AML/CFT risks to which the company is exposed, and about the adequacy of their organizational framework with respect to AML/CFT.

**The analysis of these activity reports is also one of the supervisory tools available to the FSMA.** It is an important source of information for the implementation of its supervisory activities regarding AML/CFT.



<sup>1</sup> Law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the restriction of the use of cash.  
<sup>2</sup> The entities referred to in Article 5, § 1, 11° to 20°, of the AML/CFT Law.  
<sup>3</sup> Article 8 of the FSMA Regulation of 3 August 2018 on preventing money laundering and the financing of terrorism.  
<sup>4</sup> The entities referred to in Article 5, § 1, 19°, of the AML/CFT law.

## NEW ORGANIZATION OF THE FSMA: A SINGLE DEPARTMENT IN CHARGE OF AML/CFT SUPERVISION

Since March 2022, all the FSMA's powers as regards AML/CFT have been centralized within a single department. The Supervision of intermediaries and of financial service providers and Anti-money laundering policy department is now responsible for all the FSMA's AML/CFT activities, that is, money laundering and terrorist financing risks ('ML/TF') analyses, carried out in particular on the basis of periodic questionnaires (available in [French](#) - [Dutch](#) only), development and implementation of a risk-based supervision policy, remote checks, participation in on-site inspections carried out by the Central Inspection Team, participation in supervisory colleges for entities that are part of a group, relations with other competent national authorities, such as the National Bank of Belgium ('NBB'), the Financial Information Processing Unit ('CTIF-CFI') or the General Administration of Treasury ('AAThes'), and representation in international fora, such as the European Banking Authority ('EBA') and the Financial Action Task Force ('FATF').

If you have any questions about AML/CFT, you can contact the above-mentioned department of the FSMA at the following addresses:

- / [ofa@fsma.be](mailto:ofa@fsma.be) for all general questions;
- / [survey.ofa@fsma.be](mailto:survey.ofa@fsma.be) for all questions regarding the periodic questionnaires;
- / [supervision.ofa@fsma.be](mailto:supervision.ofa@fsma.be) for all questions regarding a control or an inspection.

## THE CTIF-CFI HAS PUBLISHED ITS 2021 ANNUAL REPORT - WHAT ARE THE KEY MESSAGES?

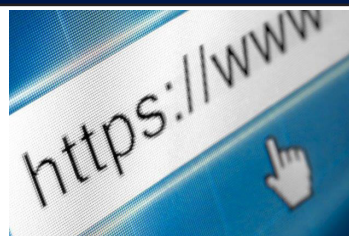
The CTIF-CFI's annual report identifies two main new trends related to criminal phenomena and ML/TF techniques. On the one hand, it appears that **laundered funds increasingly originate from poly-criminal activities**. On the other hand, the CTIF-CFI has observed **an increasing professionalization of money laundering activities**. More and more often, structured organizations with an international dimension offer "money laundering services" to other criminal organizations active in, for example, trafficking in narcotics, human trafficking or international fraud.

The report indicates that **trafficking in narcotics** is still a major criminal activity in Belgium, with a record amount of drugs seized in 2021, worth over 10 billion euros. The report also mentions that there is evidence that drug traffickers are turning to **cryptocurrencies** to launder part of their profits.

In 2021 the CTIF-CFI referred various files to the Public Prosecutor's Office regarding **corruption** or **embezzlement** by **politically exposed persons (PPPs)**, mainly foreigners. Finally the CTIF-CFI has observed an explosion of various **types of fraud**, largely related to the increasing digitalisation of society. These scams are becoming more and more sophisticated, for example in the form of fraudulent transfers of funds and **fraudulent online trading platforms**. Finally, the CTIF-CFI once again points out the **risks associated with virtual assets**, which remain a ML/TF vehicle.



Would you like to know more about this? Consult the CTIF-CFI annual report that is available on its [website](#).



## AN ATYPICAL TRANSACTION? DO YOU SUSPECT FRAUD? REPORT IT TO THE CTIF-CFI!

**AMLCOs are, among other things, responsible for tracing and analysing atypical transactions and for transmitting suspicious transaction reports to the CTIF-CFI.** The FSMA once again underlines the importance of this task, as it did with an [animated film](#) placed on its website in 2021.

When reporting suspicious transactions to the CTIF-CFI, AMLCOs should follow the CTIF-CFI guidelines (available in [French](#) and [Dutch](#) only). These clarify how the reporting obligations laid down in the AML/CFT law should be applied.



## COMPLIANCE WITH FINANCIAL SANCTIONS!

All natural and legal persons must comply with financial sanctions. The FSMA has reiterated this obligation in a [Communication](#) published on 18 March 2022. The Communication refers to the sanctions imposed on Russia and Belarus in response to the military aggression against Ukraine.

Compliance with these sanctions requires taking cognizance of them and determining the necessary measures to comply with them, in particular, with respect to clients, to the counterparty to a transaction or a financial product, and to the financial services provided.

In particular, the following measures should be taken:

- / freezing the assets of the persons or entities concerned;
- / not making funds available to these persons or entities, and not carrying out any transactions that go against the financial sanctions imposed;
- / informing the Treasury (via the email address [quesfinvragen.tf@minfin.fed.be](mailto:quesfinvragen.tf@minfin.fed.be)) of all information relating to the implementation of the financial sanctions, such as information on frozen funds or any infringements established.

**AMLCOs of entities subject to the AML/CFT Law should also take into account the financial sanctions when applying their risk-based AML/CFT approach**, in particular when applying due diligence measures in respect of clients and transactions linked to countries against which sanctions have been taken.

## EBA'S COMMUNICATIONS ON DE-RISKING AND FINANCIAL INCLUSION IN THE CONTEXT OF THE INVASION OF UKRAINE

The FSMA draws the AMLCOs' attention to two recent publications of the European Banking Authority (EBA).

**The first publication addresses the issue of de-risking**, which consists of automatically rejecting individual clients or categories of clients who present high ML/TF risks. This practice is the result of a **poor application of the risk-based approach**. This 'unwarranted' risk mitigation is a sign of ineffective ML/TF risk management and may result in legitimate clients losing access to financial services. AMLCOs should make sure that the company is managing the AM/TF risks effectively, by ensuring that the due diligence measures taken are appropriate in view each client's risk profile.

**The second publication concerns financial inclusion in the context of the invasion of Ukraine**. Although refugees from Ukraine are vulnerable and at risk of becoming victims of human smuggling or human trafficking, the EBA is of the opinion that compliance with AML/CFT obligations should not lead to the financial exclusion of refugees who are legitimate clients. However, it is important that AMLCOs are vigilant and alert to any indications suggesting that refugee clients are being exploited, and that they report any suspicious activity to the CTIF-CFI.

### THE FSMA WISHES YOU A GREAT SUMMER HOLIDAY!

The next AMLCO Newsletter will be published in November 2022 and will focus on the FSMA's expectations regarding the missions and tasks of AMLCOs.

