

# TIP OF THE MONTH

## The Money Laundering Reporting Officer (MLRO) and The Compliance Officer (CO)

*Regulation 26 of the Financial Intelligence and Anti-Money Laundering Regulations 2018, requires a reporting person to appoint a Money Laundering Reporting Officer and regulation 22 requires a person to appoint a Compliance Officer.*

### IMPORTANCE OF HAVING A MLRO AND A CO

The MLRO and the CO functions are key in the fight against money laundering and financing of the terrorism (AML/CFT) framework.

In light of the crucial role that they play they must understand their role and obligations under the law.

### As per regulation 26 of the Financial Intelligence Anti-Money Laundering Regulations (FIAMLR) 2018:

- a reporting person shall appoint a MLRO to whom an internal report shall be made of any information or other matter which comes to the attention of any person handling a transaction and which, in the opinion of the person gives rise to knowledge or reasonable suspicion that another person is engaged in money laundering or the financing of terrorism;
- a reporting person shall appoint a Deputy Money Laundering Reporting Officer (DMLRO) to perform the duties of the MLRO in his absence; and
- where the reporting person is a member of a relevant profession or occupation under the Act, and due to the nature and size of its business or activity is unable to appoint a MLRO and a DMLRO, he shall establish, maintain and operate reporting and disclosure procedures in accordance with the Act, and as may be specified by a relevant regulatory body.

Regulation 26(4) of the FIAMLR 2018 states that the MLRO and the DMLRO shall:

- a) be sufficiently senior in the organisation of the reporting person or have sufficient experience and authority; and
- b) have a right of direct access to the board of directors of the reporting person and have sufficient time and resources to effectively discharge his functions.

**As provided by Regulation 22 (1) (a) of the FIAMLR 2018, the MLRO and CO functions should also be at senior management level and may not be outsourced.**

You are however informed that pursuant to Section 4.1.1 of FIU Guidelines, the same individual can be appointed in the same position of MLRO & CO, provided the reporting person considers this appropriate with regards to the respective demand of the two roles and whether the individual has sufficient time and resources and resources to fulfil both roles effectively.

### THE ROLE & DUTIES OF THE CO

The CO has the following main role and duties amongst others:

- To ensure the implementation and ongoing compliance of the reporting person with internal programmes, controls and procedures with the requirements of the Act and the Regulations;

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### MLRO and CO (Continued)

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- To ensure continued compliance with the requirements of FIAMLA) and Regulations subject to the ongoing oversight of the board of the reporting person and senior management;
- To undertake day-to-day oversight of the program for combating money laundering and terrorism financing;
- To make regular reporting, including reporting of noncompliance, to the board and senior management;
- To contribute in designing, implementing and maintaining internal compliance manuals, policies, procedures and systems for combating money laundering and terrorism financing; and
- To have unrestricted access upon request to all books, records and employees of the reporting person, as necessary, for the performance of his functions.
- To enable the information or other matters contained in a report to be provided as soon as is practicable to the FIU where the MLRO knows or suspects that another person is engaged in money laundering or terrorism financing activities;
- To assess the information contained within the internal disclosure to determine whether there are reasonable grounds for knowing or suspecting that the activity is related to money laundering, terrorism financing or proliferation financing;
- To make a report to the FIU where he knows or has reason to believe that an internal disclosure may be suspicious; and
- Is responsible to assess internal suspicious transaction report and file Suspicious Transaction Reports ('STRs') to the FIU.

### THE ROLE & DUTIES OF THE MLRO

The MLRO has the following main role and duties amongst others:

- To have full access to any other information that may be of assistance and that is available to the reporting person;
- To consider any report in the light of all other relevant information available to him for the purpose of determining whether or not it gives rise to any knowledge or suspicion of money laundering or terrorism financing activity;

### FAILURE TO FILE A STR AND TIPPING OFF

Failure to report STRs (In line with Section 14 of the FIAMLA) Tipping Off (in line with Section 16 of the FIAMLA) are criminal offences and on conviction **Reporting persons** are liable to a fine not exceeding 5 million rupees and to imprisonment for a term not exceeding 10 years.

It is thus crucial for reporting persons to ensure that their MLRO is properly trained to be able to file STRs where appropriate.

### TECHNICAL ASSISTANCE ON FILING STRS

In case further technical assistance on filing STRs is required, the goAML HelpDesk may be contacted by calling on the phone number 4541423 or sending an email at [goamlhelpdesk@fiumauritius.org](mailto:goamlhelpdesk@fiumauritius.org)