



SEYCHELLES FINANCIAL INTELLIGENCE UNIT

GUIDELINES FOR SUBMISSION OF CASH TRANSACTION THRESHOLD REPORTS

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DEFINITIONS

AML/ CFT Act, 2020 means the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020.

Cash includes notes and coins of Seychelles or of any other country which is a legal tender and accepted as a medium of exchange in the country of its issue, postal orders, bearer cheques which passes title thereto upon delivery including travelers' cheques, bank drafts and bearer bonds.

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

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

Natural person means 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 and respectively who shall be responsible for submitting CTTR to the FIU.

Reporting Entities means an entity or person specified in the First Schedule of the AML/ CFT Act, 2020 (see Annexure 1.0).

Wire Transfer Threshold Report means a report that FIs are required to submit to the FIU in line with 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 |
| BDC | Bureau De Change |
| CO | Compliance Officer |
| CTTR | Cash Transaction Threshold Report |
| DNFBPs | Designated Non-Financial Businesses and Professions |
| FI | Financial Institution |
| FIU | Financial Intelligence Unit |
| ML/TF | Money Laundering / Terrorism Financing |
| MVD | Motor Vehicle Dealer |
| RE | Reporting Entity |
| REA | Real Estate Agent |
| SCR | Seychelles Rupee |
| STR | Suspicious Transaction Report |
| WTTR | Wire Transfer Threshold Report |

These guidelines provide details on the procedures for submitting CTTR to the FIU.

APPLICATION OF THIS GUIDELINE

1.1 The objectives of these guidelines are to assist REs to comply with the cash transaction threshold reporting obligations in terms of the AML/ CFT Act, 2020. It provides general guidance on the reporting obligation and procedures for submitting cash transaction reports to the FIU, in line with section 5 of the AML/ CFT Act, 2020. In particular, these guidelines explain reporting timelines, mandatory information to be included in the CTTR; and the procedure for submitting reports electronically to the FIU.

The procedures for [WTTR](#) is provided for in separate guidelines.

(https://www.seychellesfiu.sc/FIU/Legislations/Guidelines/Submission_of_WTTR.pdf)

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 these guidelines from the responsibility of 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, RE shall not confuse a cash transaction threshold report with an STR. If the RE has reasonable grounds to suspect that any service or transaction may be related to the commission of the offence of money laundering, the RE shall submit an STR to the FIU, in line with the requirements under section 48 of the AML/ CFT Act, 2020, regardless of the amount of the transaction.

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

1.5 These guidelines shall take effect on **November 6th, 2020** and first reporting of cash transactions will commence on **December 1st, 2020**. The initial submission by RE 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 REs to report cash transactions above a prescribed threshold which is unique to the nature and scope of the licensable activities of the RE. Please refer to [Annexure 1.0](#) for the list of REs and frequency of CTTRs submission and [Annexure 2.0](#) for an extract of the Third Schedule of the AML/ CFT Act, 2020.
- 2.2. Cash transaction threshold reporting in line with section 5 of the AML/ CFT Act, 2020 provides the FIU with the mechanism to proactively monitor and report on cash transactions which may be linked to money laundering or terrorist financing activities, so that potential proceeds of crime are timeously identified and investigated.

PART 1: WHO MUST SUBMIT CTTR

- 3.1. The obligation to report cash transactions above the prescribed threshold in line with section 5 of the AML/ CFT Act, 2020 applies to all REs (specified under the first schedule of the AML/ CFT Act, 2020) as listed hereunder:

PART A

A licensee under the Financial Institutions Act.

Any entity to which the Financial Institutions (Application of Act) Regulations, 2010 apply.

A licensee under the Credit Union Act.

A licensee under the Financial Leasing Act.

A payment services provider and operator of a payment, clearing or settlement system under the National Payment System Act.

PART B

A licensee under the Mutual Fund and Hedge Fund Act.

A licensee under the Securities Act;

A licensee under the Insurance Act;

A licensee under the Seychelles Gambling Act, 2014

A licensee under the International Corporate Service Providers Act.

PART C

1. Accountants.
2. Lawyers and notaries.
3. Real Estate Agents.
4. High-value dealers (this includes persons who receives at least SCR 200,000 for payment of goods and services by way of business, e.g. MVDs etc...)
5. Dealers in precious metals.
6. Dealers in precious stones.
7. Casinos.
8. Trust and Company Service Providers which provide any of the following services to third parties—
 - (i) acting as a formation agent of legal persons;
 - (ii) acting as a director or secretary of a company; a partner of a partnership or a similar position in relation to other legal persons;

- (iii) providing a registered office, business address or accommodation or correspondence or administrative address for a company, a partnership or any other legal person or legal arrangement;
- (iv) acting as a trustee of an express trust or performing the equivalent function for another form of legal arrangement; and
- (v) acting as a nominee share holder for another person;

A reference in this paragraph to providing services to third parties does not include a company providing a service to an associated company.

9. Resident Agents under the Beneficial Ownership Act, 2020.

3.2 In accordance with section 34 (2) (h) of the AML/ CFT Act, 2020 the CO has the function of liaison between the RE 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 for cash transaction 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 cash transaction threshold reporting in the absence of the CO.

PART 2: WHEN ARE REs REQUIRED TO SUBMIT CTRR

- 4.1 The third schedule of the AML/ CFT Act, 2020 specifies the threshold amount to be reported. Serial number 1 applies to all REs except for the gambling sector and BDC which has been specified under serial number 3 and 4 respectively.
- 4.2 The obligation to report in terms of the third schedule of the AML/ CFT Act, 2020 arises when a transaction, or series of aggregated transactions, are concluded with a client by means of which cash or equivalent money in the currency of other countries in the instances and amount specified below:

- every RE shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more;
- gambling sector shall report all transactions of its customers involving SCR 20,000 or more; and
- BDC shall report all transactions of its customers involving SCR 5,000 or more.

4.3 The obligation therefore extends to cash which is the equivalent of or in excess of the prescribed amount being **received** or **disbursed** by the RE.

4.3.1 Received by the RE

REs are required to report if the cash transaction meets or exceeds the threshold reporting requirement in a single transaction or in a series of related transactions in a single business day. This includes, but may not be limited to:

- Cash received by a RE from a natural person, legal person or legal arrangement that meets or exceeds the threshold reporting requirement.
- If the cash is received in a foreign currency, the RE shall convert the transaction amount; using the exchange rate applicable at the time of transaction, to the SCR to determine if the transaction or related aggregated transactions meets the CTTR reporting threshold.

4.3.2 Disbursed by the RE

REs are required to report if the cash disbursed meets or exceeds the threshold reporting requirement in a single transaction or in a series of related transactions in a single business day. This includes, but may not be limited to:

- Cash disbursed by the RE from the client's account.
- Other cash disbursements by a RE to a natural person, legal person or arrangement that meets or exceeds the threshold reporting requirement.

- If the cash disbursed is in a foreign currency, the RE shall convert the transaction amount; using the exchange rate applicable at the time of transaction, to the SCR to determine if the transaction or related aggregated transactions meets the CTTR reporting requirement.

4.4 In case of a part payment involving cash, then only the cash portion meeting or exceeding the prescribed threshold must be reported to the FIU.

4.5 Provided hereunder are some examples of instances where REs shall submit a CTTR. Please note that below referenced examples do not constitute all possible reporting scenarios.

EXAMPLE 1: Cash deposited into a single customer account.

Mr. A, Mr. B, and Mrs. C are depositing SCR 20,000 cash each, into Customer Mr. D's bank account during the course of a single business day and the activity involves related business transactions. The aggregate of these related transactions is in excess of the SCR 50,000 threshold; thus, this should be reported to the FIU as the aggregated cash amount is SCR 60,000. In the completed CTTR Form, RE should list all transactions separately as below:

Transaction 1 – cash deposit for SCR 20,000,
Transaction 2 – cash deposit for SCR 20,000, and
Transaction 3 – cash deposit for SCR 20,000.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

EXAMPLE 2: Customer Mr. X makes multiple cash deposits in the morning amounting to SCR 30,000 cash and in the afternoon of the same business day makes another SCR 25,000 cash deposit into his own account.

This amount is in excess of the SCR 50,000 threshold and thus a CTTR should be filed with the FIU in the specified form as the aggregated cash transactions amount is SCR 55,000.

If the RE suspects Customer Mr. X is structuring the deposits to avoid the cash transaction reporting requirement or if this activity is inconsistent with the customer's profile, the RE should also submit an STR to the FIU.

EXAMPLE 3: A person enters a casino and purchases SCR 5,000 worth in chips in four separate cash transactions within a single business day. The amount is equivalent to the SCR 20,000 threshold and thus a CTTR should be filed with FIU in the specified form listing all the separate cash transactions. In general, Casinos should consider such activity as linked transactions and aggregate them accordingly.

Transaction 1 – cash deposit of SCR 5,000,

Transaction 2 – cash deposit of SCR 5,000,

Transaction 3 – cash deposit of SCR 5,000,

Transaction 4 – cash deposit of SCR 5,000.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

EXAMPLE 4: Foreign exchange at BDC.

Mr. X visits 3 branches of ABC Exchange (BDC) on the same business day. Mr. X exchanges SCR 1,700 in cash for US Dollars in three separate transactions at three different ABC Exchange branches (i.e. combined aggregated cash total is over SCR 5,000). All the foreign currency transaction was conducted by the same person, and this amount is in excess of the threshold of SCR 5,000. The BDC should therefore file a CTTR and should list all transactions separately.

If the RE determines that the aforementioned activity is suspicious, the RE should also file an STR to the FIU.

PART 3: INFORMATION REQUIRED IN A CTTR

5.1 The information to be included in a CTTR will depend on the type of transaction and the role of the natural person making the transaction. REs shall record the details of all natural persons facilitating transactions on behalf of other natural persons, legal persons and legal arrangements. More details in respect to specific information which must be included in the CTTR is provided in the forms and guidance notes as specified on the FIU's website, www.seychellesfiu.sc.

PART 4: METHODS FOR FILING CTTR

6.1 In line with section 5 of the AML/ CFT Act, 2020 the CTTR must be filed with the FIU electronically by emailing the completed form to thresholdreporting@fiu.sc. Sector specific reporting forms are available on the FIU website, www.seychellesfiu.sc/FIU/?page_id=1245.

6.2 For security purposes, all completed CTTR forms must be compressed and encrypted, followed by submission via email, as per the detailed process hereunder:

- a. The completed CTTR form should be compressed into a zipped file (Follow the instruction and the video link on the FIU website (https://www.seychellesfiu.sc/FIU/?page_id=1257) on “How To Compress & Encrypt Using Peazip” for more information on how to compress and encrypt your CTTR 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 the receipt of the CTTR;
- 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; and
- f. This is the end of the process.

63 The steps from a) to e) are only for the first-time reporting. From subsequent reporting, only steps a), b) and c) will need to be performed.

PART 5: TIME PERIOD AND FREQUENCY OF CTTR SUBMISSION BY REs

7.1 Annexure 1.0 provides for submission period and frequency of reporting of CTTR by REs to the FIU. REs 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 CTTR

8.1 Note that a RE which fails to report a cash transaction 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 CTTR OBLIGATIONS

9.1 A RE may apply for a CTTR 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/FIU/?page_id=1245 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.

Annexure 1.0: CTTR Reporting Requirements

| No. | Sector | Threshold | Reporting frequency | Submission period. |
|-----|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------|
| 1. | Banks | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one business day. | Daily | By close of business daily |
| 2. | Other financial institutions (e.g. HFC, DBS, SCU) | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one business day. | Daily | By close of business daily |
| 3. | BDC | SCR 5,000 cash or more on all cash transactions. | Weekly | By close of business Wednesday of the following week |
| 4. | ICSPs | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 5. | Insurance | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 6. | Licensees under the Mutual and Hedge Fund Act | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 7. | Licensees under the Securities Act | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 8. | Gambling | SCR 20,000 or more transaction(s) on behalf of a client in one transaction or in a series of transactions in one day. | Twice Monthly | Three working days after the end of |

| | | | | |
|-----|--------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------|
| | | | | the two-week period. |
| 9. | Accountants, auditors, lawyers | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 10. | REA | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of related transactions. | Monthly | Three working days after the end of the month |
| 11. | High Value Dealers & Motor Vehicle Dealers | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 12. | Dealers in Precious Stones | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |
| 13. | Dealers in Precious Metals | SCR 50,000 cash or more on behalf of a client in one transaction or in a series of transactions in one day. | Monthly | Three working days after the end of the month |

Annexure 2.0: Extract of the Third Schedule of the AML/ CFT Act, 2020

THIRD SCHEDULE (SECTION 5)

REPORTING THRESHOLD FOR CASH TRANSACTIONS

Every reporting entity shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more or the equivalent money in the currency of other countries.

REPORTING THRESHOLD APPLICABLE TO GAMBLING SECTOR

All licensees within the gambling sector shall report all transactions of its customers involving SCR 20,000 or more.

REPORTING THRESHOLD APPLICABLE TO BUREAU DE CHANGE

Every Bureau de Change shall report all transactions of its customers involving SCR 5,000 or more or the equivalent money in the currency of other countries.