



AML SUPERVISION DEPARTMENT E-NEWSLETTER

Strengthening Counter-Terrorist and Proliferation Financing Controls



Overview:

As part of ongoing national efforts to strengthen the AML/CFT framework in the Turks and Caicos Islands, recent stakeholder engagement has highlighted the importance of targeted, risk-based outreach to enhance counter-terrorist financing (CTF) and counter-proliferation financing (CPF) controls across supervised sectors.

This newsletter is intended for Compliance Officers (COs), Money Laundering Compliance Officers (MLCOs), Money Laundering Reporting Officers (MLROs), Directors, Senior Management, and front-line, customer facing staff of AML/CFT-regulated entities responsible for implementing effective AML/CFT frameworks.

Regulatory Reminder:

Entities are encouraged to review their existing TF and PF controls to ensure they remain risk-appropriate, current, and effectively implemented in practice.

For further guidance, please visit www.tcifsc.tc or email us at aml_supervision@tcifsc.tc

● Why This Matters

Terrorist financing (TF) and proliferation financing (PF) continue to evolve and may manifest differently across sectors depending on customer profiles, products and services, delivery channels, and geographic exposure. Strengthening awareness and risk-based controls is essential to ensuring early detection, timely reporting, and effective mitigation of TF and PF risks.



HELPFUL LINKS FOR CTF & PF

- UK Sanctions List: <https://search-uk-sanctions-list.service.gov.uk/>
- Hate Symbols Database: [\[https://www.adl.org/resources/hate-symbols/search\]](https://www.adl.org/resources/hate-symbols/search)
- TCI Financial Intelligence Agency: <https://www.fia.tc/>

Key Focus Areas for Obligated Entities:

✓ Building Capacity to Identify TF and PF Risks

Obligated entities are encouraged to enhance awareness of TF and PF typologies, trends, and risk indicators relevant to their business activities. Strengthening staff understanding supports earlier detection of suspicious activity and reinforces the effectiveness of internal controls.

✓ Targeted Guidance for Higher-Risk Sectors

Higher-risk sectors—including banks, trust and corporate service providers (TCSPs), lawyers, and money services businesses (MSBs)—should adopt tailored approaches to identifying and managing TF and PF risks, taking into account the nature of their activities, products, services, delivery channels, and customer profiles. This includes recognizing suspicious activity within sector-specific business models and ensuring clear understanding of reporting and escalation obligations.



✓ Strengthening TF and PF Risk Assessments

Entities are reminded of the importance of conducting comprehensive TF and PF risk assessments that consider all relevant risk factors and available information. Robust risk assessments enable the application of proportionate, risk-appropriate mitigating measures.

Note: Where gaps are identified, timely remedial action should be taken in line with the entity's risk profile and regulatory obligations.

Call-to-Action for Compliance Officers



Compliance Officers, MLCOs, and MLROs are encouraged to:

- Review and update their TF and PF risk assessments to ensure they reflect current risks and available information;
- Assess staff awareness and training on TF and PF typologies relevant to the entity's business model;
- Evaluate the effectiveness of internal reporting and escalation procedures for TF and PF-related suspicious activity; and
- Ensure senior management oversight of TF and PF risks and the adequacy of mitigating controls.

Supporting Effective Implementation

The points highlighted in this newsletter will be further addressed through a series of upcoming stakeholder engagements, including targeted outreach visits, structured educational sessions, and enhanced digital outreach initiatives. These engagements are intended to reinforce key regulatory expectations, promote consistent understanding across sectors, and support the effective implementation of AML/CFT obligations through continued dialogue, awareness-building, and practical guidance.