



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty Integrity and Transparency

Issue 1 of 2025

Monday, 22 July 2025

AMLSD E-NEWSLETTER

What are Financial sanctions?

Financial sanctions are restrictions put in place by the United Nations (UN), or United Kingdom (UK) to achieve a specific foreign policy or national security objective. They can limit the provision of certain financial services and restrict access to capital, markets, funds and economic resources by designated persons or entities, directly or indirectly.

Financial sanctions come in many forms as they are developed in response to a given situation.

The most common types of financial sanctions used in recent years are:

- **Asset Freezes:** Block access to funds and economic resources for named individuals or entities.
- **Restrictions on Financial Services:** May include investment bans, limits on capital markets access, banking prohibitions, and restrictions on insurance or advisory services.
- **Business Prohibitions:** Orders to stop specific business activities with designated persons, sectors, or countries.

Sanctions in the TCI mainly flow from those imposed by the UN and the UK. Following the adoption of the UNSCRs by the UN, the UK has made an implementation Order in Council, under the United Nations Act 1946, which is extended to the Overseas Territories (OTs) in the form of a Sanctions Order. Consequently, this ensures that all of its OTs can implement the sanctions agreed in the UN. Sanctions Orders are subsidiary legislation and are published in the TCI Gazette.

Top News

Raise awareness on critical terrorist financing (TF) preventive measures.

Key focus: Strengthening Sanctions Compliance across Financial Institutions, DNFBP and NPO sectors.



First Things First: How to Spot a Designated Person

SCREEN

- Maintain a database of all of your clients and their data; full name, gender, date of birth, nationality, citizenships, full primary residential address, telephone numbers, email address, date relationship commenced
- Use a reliable sanctions screening tool or database to check the customer's name against official sanctions lists such as OFSI Consolidated List

VERIFY

- Review official ID and corporate ownership structures.
- Sanctioned individuals may use aliases or front companies, so beneficial ownership checks are crucial.
- You are more exposed to sanctions risk if your clients or their transactions are international

MONITOR

- Look for unusual transaction patterns, high-risk jurisdictions, or sudden changes in behavior.
- Combine this with ongoing monitoring to catch any updates to sanctions status.
- Pay attention to Financial Sanctions Notices issued by the Attorney General's Chambers and circulated by the Commission

When a Sanctions Match Is Found: Immediate Actions Required

If a customer, potential customer, or beneficial owner is designated under a financial sanctions regime:

FREEZE

such accounts and other funds or economic resources.

REFRAIN

from dealing with the funds or assets, or from making them available (directly or indirectly), to the entries unless licensed by the Governor.

REPORT

any findings to the Governor, with any additional information, that would facilitate compliance with the Law at governorgdt@gov.tc.

Important Legal Obligation:

If a regulated entity identifies a current or proposed relationship or transaction with a sanctioned individual or entity, it must comply with the Terrorist Asset-Freezing etc. Act 2010 (Overseas Territories) Order 2011.

Strengthening Your Sanctions Compliance Framework

To be fully compliant, it's not enough to simply screen names—you must ensure that your internal controls, staff training, and reporting procedures are also robust and up to date.

Key Elements of an Effective Sanctions Compliance Programme:

- Clear internal policies outlining sanctions obligations
- Up-to-date screening software or systems aligned with official sanctions lists (e.g., UN, UK)
- Ongoing employee training tailored to your sector and risk profile
- Escalation procedures for positive matches
- Recordkeeping protocols to demonstrate compliance in case of audits or inspections

Common Pitfalls to Avoid

- Failing to screen beneficial owners
- Relying on manual or outdated screening methods
- Delays in reacting to new sanctions designations
- Not understanding the difference between false positives and true matches

Who Needs to Comply?

All entities under the supervision of the Financial Services Commission—including:

- Financial Institutions (FIs) – banks, credit unions, insurers, etc.
- DNFBPs – company managers and agents, real estate agents, lawyers, accountants, casinos, high-value dealers
- NPOs – especially those operating cross-border or with foreign funding sources

Note: Even if you don't think your business is high-risk, failure to comply with sanctions obligations can still result in penalties or enforcement action.

Tools & Resources

- UN Sanctions Lists: [[United Nations Security Council Consolidated List](#) | [Security Council](#)]
- UK Sanctions List: [[The UK Sanctions List - GOV.UK](#)]



Contact Us

For further information, visit our website at www.tcifsc.tc or email us at aml_supervision@tcifsc.tc