



**GUIDANCE NOTES ON THE PREVENTION AND DETECTION OF
MONEY LAUNDERING AND TERRORIST FINANCING
IN THE CAYMAN ISLANDS**

PART IV

**FIDUCIARY
(COMPANY FORMATION AND TRUSTS)**

SECTOR SPECIFIC AML/CFT GUIDANCE NOTES

The purpose of this part of the Guidance Notes is to provide some guidance specifically for the Fiduciary sector (Company Formation and Management and Trusts) on more complex AML / CFT matters or issues which require more explanation than provided for in the general body of these Guidance Notes. This sector specific guidance should be read in conjunction with Part I and Part II of the Guidance Notes.

SECTION 1

COMPANY FORMATION AND MANAGEMENT

A. OVERVIEW

1. Company formation and management business carried out in and from the Cayman Islands is defined and regulated pursuant to the Companies Management Law (2003 Revision) and the Directors Registration and Licensing Law, 2014.
2. There are a number of FSPs under other regulatory laws that are allowed to engage in company formation and management activity without being required to hold a licence under the Companies Management Law. Those FSPs that operate within such circumstances are required to comply with the AML/CFT framework outlined in this Section and under the General Guidance Notes which are designed for company management and formation services professionals (CSPs).

B. SCOPE

1. This guidance is specific to CSPs, and is intended to provide support in complying with the AMLRs.
2. The AMLRs apply to CSPs as indicated in the list of activities falling within the definition of "Relevant Financial Business" in the Sixth Schedule of the POCL.
3. CSPs must have systems and training in place to prevent ML/TF. This means that each CSP must maintain ML and TF policies and procedures appropriate for the purposes of preventing ML and TF.

C. ML/TF RISKS

1. The company is an extremely versatile vehicle that is often used in various structures and for a broad range of activities; including financial structures, financial transactions, and the management and custody of wealth.
2. In spite of the many varied legitimate uses of companies, companies are vulnerable to being improperly utilised to perpetrate fraud, illegally hide the ownership of assets, hide the proceeds of corruption, perpetrate ML schemes, or to facilitate TF.
3. There is potential for companies to be misused to facilitate ML/TF activity at various stages by allowing the conversion of proceeds of crime or disguising financing for illicit and terrorist activity.

D. CUSTOMER DUE DILIGENCE

Who is the Applicant for Business?

Company Formation

1. In the case of forming a company, the applicant for business is the ultimate client upon whose instructions the company is formed. This may or may not be a proposed shareholder. In addition to obtaining identification evidence for the customer, as outlined in Part II, Section 4 of these Guidance Notes, the FSP will normally be required to obtain:
 - (1) an explanation of the nature of the proposed company's business,
 - (2) the source of funds;
 - (3) satisfactory evidence of the identity of each of the proposed beneficial owners; and
 - (4) satisfactory evidence of the identity of each of the proposed directors (and in the event of corporate directors, evidence of the identity of the natural persons that will be acting on the corporate directors' behalf). CSPs should understand the ownership and control structure.
2. In some circumstances reliance may be placed on the due diligence of other persons. (Refer to the section on Introduced Business in Part II Section 5 D of the Guidance Notes).

Company Management

3. Where a CSP provides corporate services to a company, the CSP must look behind the company for due diligence purposes and, depending upon the circumstances, investigate and obtain proof of identity of any or all of the following:
 - (1) the shareholders (or beneficial owners if different from the registered shareholders);
 - (2) the directors and officers;
 - (3) anyone who is giving instructions to the CSP on behalf of the company; and
 - (4) anyone who introduces any of the above persons to the CSP.
4. Where a CSP provides corporate services to a company, the CSP must understand the ownership and control structure. At the start of the arrangement, the CSP should establish the legal status of any legal persons or arrangements in the structure and monitor the same on an ongoing basis.

Business Introduction

5. However, it is recognized that obtaining due diligence on all of the above in every case could be onerous and could lead to a duplication of procedures, unnecessary complication and eventual loss of legitimate business. The AMLRs and the Guidance Notes therefore, allow for reliance, in certain circumstances, on third party intermediaries. For guidance in this area see section on Introduced Business in Part II of the Guidance Notes. Where the CSP is approached by a shareholder or beneficial owner, or directors or officers as the applicant for business, the CSP should carry out appropriate due diligence on:

- (1) the shareholders and beneficial owners;
 - (2) the directors and officers; and
 - (3) anyone who gives instructions to the company manager on behalf of:
 - (a) the company;
 - (b) the directors and officers of the company; or
 - (c) the shareholders and beneficial owners of the company.
6. This must be done in accordance with the requirements pertaining to Corporate Clients outlined in Part II of the Guidance Notes.
 7. Where the CSP is approached by a person who gives instructions to the CSP on behalf of the company, the CSP should carry out appropriate due diligence on that person (the applicant for business), the shareholders, and the directors and officers of the company in accordance with the requirements pertaining to Corporate Clients outlined in Part II of the Guidance Notes.
 8. However it may, in certain circumstances, be acceptable to rely solely on the due diligence of the person giving those instructions. (Refer to the section on Introduced Business in Part II Section 5 B of the Guidance Notes).
 9. Where the CSP relies upon the due diligence of an introducer, such a decision must be made by senior management and the reasons for the decision must be documented. In addition, the CSP must carry out appropriate due diligence on the introducer or intermediary to ensure their eligibility and ensure that written undertakings are received from the introducer or intermediary in accordance with the Guidance Notes.

Structured Finance Companies

10. Where a company is established to undertake one or more structured finance transactions, it may be established by a trustee (the applicant for business) or an Arranger for that transaction or generally. In such cases, the FSP must identify the parties and the commercial purpose and conduct enquiries on any or all of the following persons and entities as appropriate in the circumstances, with a view to ensuring that appropriate due diligence and anti-money laundering compliance is applied to the identity of the investors / note holders and persons that control the flow of the funds, in accordance with the AMLRs and Guidance Notes.
11. Such enquiry may extend to any or all of the following:
 - (1) the arranger; or
 - (2) the originator; or
 - (3) where relevant, the promoter;
 - (4) investors in the securities of the company; and
 - (5) other relevant parties.

Private Trust Companies

12. In the case of a private trust company (as defined in the Private Trust Companies Regulations (2013 Revision)), the applicant for business will

usually be the settlor(s) of the trusts of which the private trust company will be trustee.

13. In addition to the due diligence required to be obtained in the company formation and company management sections above, it will be necessary to obtain the due diligence recommended in the Trusts Section of these Guidance Notes, save to the extent not already obtained in respect of the private trust company itself.

Discontinued Relationships

14. Funds held to the order of a client or prospective client should only be returned to the source from which they came and not to a third party.

Ongoing Monitoring

15. In order to be alert for instances of ML/TF CSPs must continue monitoring the activities of their client companies for signs of unusual or suspicious activities.
16. Activities that warrant special attention include:
 - (1) changes in transaction type, frequency, unusually large amounts, geographical origins and destinations attributes;
 - (2) changes in account signatories;
 - (3) changes in use of the company from the originally stated purpose; and
 - (4) changes which involve money flows into dormant companies.
17. It is important that monitoring systems be implemented to detect and deter ML/TF activity and such systems should be tested for effectiveness on an ongoing basis.
18. This is an ongoing process which will require periodic refinement to the approach. However, the focus should be to understand changing risks, while maintaining additional implementation of effective ML/TF controls. Additional effective ML/TF controls should be implemented as appropriate.

Hold Mail and c/o Addresses

19. Sometimes the directors or beneficial owners of client companies request that mail not be forwarded but held at the registered office for storage or later collection. In such cases FSPS should follow the guidance set out in Part II Section 6 B (EDD – Hold Mail Accounts) and extend its application to beneficial owners where necessary.
20. Clients who request “c/o” addresses should also receive additional attention.

21. CSPs should understand and document the clients' rationale for requesting "c/o" and Hold Mail services.

Bearer Shares

22. The Cayman Islands Companies Law does not allow the issue of bearer shares.
23. In circumstances where a CSP provides corporate services to a foreign company that has issued bearer shares, the CSP is directed to:
 - (1) maintain proof of identity of all of the following:
 1. the beneficial owners;
 2. the directors and officers;
 3. any person who gives instructions to the CSP on behalf of the company; and
 - (2) maintain proof of identity of any custodian of the bearer shares, or person in like capacity, who can at all times verify the identity of the ultimate beneficial owner of the bearer shares.
24. In circumstances where a CSP provides corporate services to a company that is owned by a structure that has vehicles owned through bearer instruments, the CSP must ensure that it can at all times verify the ultimate beneficial owners and natural persons that control the company.

Changes in Service Provider

25. Clients have the right to choose which CSP should manage their affairs and to change to others if they so desire.
26. However, CSPs who are asked by a prospective client to take over the management of a company which is being managed by another service provider should communicate with that service provider and make appropriate enquiries as to the reason for the transfer of business.

E. RISK BASED APPROACH

1. CSPs must adopt a risk-based approach to managing ML and TF risks as set out in Part II Section 3 of these Guidance Notes.
2. In identifying and assessing the ML/TF risk to which they are exposed, CSPs should consider a range of factors which may include:
 - (1) the nature, scale, diversity and complexity of their business;
 - (2) target markets;
 - (3) the number of customers already identified as high risk;
 - (4) the jurisdictions the CSP is exposed to, either through its own activities or the activities of customers, especially in jurisdictions with

- relatively higher levels of corruption or organised crime, and those jurisdictions that are non-5(2)(a) countries;
- (5) the internal audit function and regulatory findings.

F. ML/TF WARNING SIGNS

1. In taking on new business or in monitoring existing business relationships, CSPs should consider that particular structures, clients and activities may pose a higher ML/TF risk. However, just because a factor is listed below, does not automatically make the relationship higher risk provided that suitable controls are in place.
2. Some potentially higher risk services include:
 - (1) ownership and management structures that consist of nominee arrangements, where the actual beneficial owner is unclear or undisclosed;
 - (2) complex networks of legal persons and/or arrangements (e.g. multiple layers or tiers of intermediate persons or arrangements) where there is no clear rationale for the structure proposed and/ or result in a lack of transparency without an acceptable explanation;
 - (3) complex structures that span a number of different jurisdictions, with no clear legitimate rationale;
 - (4) Commercial, private, or real property transactions or services with no apparent legitimate business, economic, tax, family governance, or legal reasons;
 - (5) trading entities for which CSPs provide management services, particularly where the customer retains some control, or where there is difficulty in monitoring movement of goods, services and financial flows;
 - (6) customers that request split boards (i.e. boards with external directors) or through powers delegated from the board; so that they can exercise control, without appropriate rationale and controls;
 - (7) customers who request third-party signatories on bank accounts (including themselves);
 - (8) structures and customers that are involved with or connected to higher risk businesses or activities including cash and cash equivalent businesses such as casinos or money services businesses and businesses or industries that are more prone to higher levels of corruption such as oil, mining, pharmaceuticals or defence (arms);
 - (9) structures and customers that are involved with or connected to high risk jurisdictions; and
 - (10) involvement of PEPs in the structures, including where the PEP may not be the CSP's customer.

SECTION 2

TRUSTS

A. OVERVIEW

1. Corporate trust business carried out in and from the Cayman Islands is regulated pursuant to the Banks and Trust Companies Law (2013 Revision) (BTCL), and the Private Trust Companies Regulations (2013 Revision) (PTCR). The BTCL defines trust business as “the business of acting as trustee, executor or administrator”.
2. “Trust business” may be divided into three categories for the purposes of the AMLRs and these Guidance Notes:
 - (1) unit trusts which are therefore covered by the Sector Specific Guidance Notes relating to Mutual Funds, in relation to their creation and administration;
 - (2) bare trusts or nominee ships where the trustee is acting both as a trustee and as an agent; and
 - (3) all other express trusts, including trusts created under the Special Trust – Alternative Regime (STAR), where the trust is not a mutual fund and the trustee is a principal as a matter of law.

B. SCOPE

1. This guidance is intended for all providers of trusts, where the trust is not a mutual fund and the trustee is a principal as a matter of law.

C. ML/TF RISKS

1. The Trust sector is particularly exposed to the risk of being utilised to perpetrate a fraud or a ML scheme, or to facilitate TF.
2. Some of the core risk areas include:
 - (1) At the layering and integration stages of money laundering there is greater potential for the misuse of trusts.
 - (2) Once the illegal proceeds have already entered the banking system, trusts could be exploited to further confuse the links between these proceeds and the illicit activity that generated them.

D. RISK BASED APPROACH

1. There is no single approach that will detect and prevent all money laundering or terrorist financing.

2. However, a risk-based approach aims to balance the cost burden placed on individual businesses and on their customers with a realistic assessment of the threat of the business being used in connection with money laundering or terrorist financing.
3. FSPs must adopt a risk-based approach to managing ML and TF risks. The risk based approach to AML/CFT aims to support the development of prevention and mitigation measures that are commensurate to the ML/TF risks identified. This applies to the way FSPs allocate their compliance resources, organize their internal controls and internal structures, and implement policies and procedures to deter and detect ML/TF.
4. In identifying and assessing the ML/TF risk to which they are exposed, FSPs should consider a range of factors which may include:
 - (a) the nature, scale, diversity and complexity of their business;
 - (b) target markets;
 - (c) the number of customers already identified as high risk;
 - (d) the jurisdictions the FSP is exposed to, either through its own activities or the activities of customers (including: settlors, protectors, beneficiaries), especially in jurisdictions with relatively higher levels of corruption or organised crime, and those jurisdictions that are non-5(2)(a) countries; and
 - (e) the internal audit function and regulatory findings.
5. The FSP's risk-based approach will ensure that its strategies are focused on deterring, detecting and disclosing in the areas of greatest perceived vulnerability.
6. The FSP needs to take a number of steps, documented in a formal policy which assesses the most effectual and proportionate way, to manage ML and TF risks. These steps include:
 - (1) identifying the ML and TF risks that are relevant to the FSP;
 - (2) assessing the risks, including those presented by the FSP's:
 - (a) ownership and Management;
 - (b) products;
 - (c) delivery channels;
 - (d) geographical areas of operation;
 - (3) designing and implementing controls to manage and mitigate the assessed risks; and
 - (4) monitoring and improving the effective operation of these controls.

E. SYSTEMS, POLICIES AND PROCEDURES

Who is a Customer/Applicant for Business?

Settlor

1. Where a new trust is being created, the Applicant for Business will be the settlor (or all of the settlors if more than one).

Settled Assets

2. FSPs should also make appropriate inquiry as to the source of the assets a settlor intends to settle.
3. Assets settled, and their source, will necessarily vary from case to case and depend on many factors, such as the type of trust intended to be created, the relative and absolute value of the assets intended to be settled, the objectives of the settlor in creating the trust and the timeframe within which the parties are working.

Transfer of an Existing Trust

4. Where an FSP is approached to become an additional or successor trustee, it is recognised that the concept of an "Applicant for Business" can be another trustee.

Customer Due Diligence

Ongoing Obligations

5. FSPs must recognise the need to adopt ongoing procedures for vetting any settlors to a trust and the source of the funds that are introduced to the trust. In particular, each time assets are added to the trust by a new or existing settlor the same procedures should be followed.

Trust Companies and Private Trust Companies

6. In the case of a private trust company PTCRs, consider whether some or all of the due diligence recommended to be obtained in accordance with the Company Formation and Management Section of these Guidance Notes should be obtained, save to the extent not already obtained in respect of the settlor(s).
7. A trust company acting as trustee of a trust should collect due diligence documentation on:
 - (1) the settlor (including any person subsequently settling funds into the trust) and any person who directly or indirectly provides trust property or makes a testamentary disposition on trust or to the trust;
 - (2) any co-trustee;
 - (3) any protector;
 - (4) any enforcer (in respect of trusts created under STAR);
 - (5) any named beneficiary with a vested right;
 - (6) any other beneficiary with a vested right; and
 - (7) any other person exercising ultimate effective control over the trust.

Previous Due Diligence

8. Trustees act as a body. Additional or successor trustees “step into the shoes” of the existing or predecessor trustees.
9. An FSP who is an additional or successor trustee should inquire of the existing or predecessor trustees whether appropriate inquiries were made of the settlor or settlors at the time of creating the trust and at the time of addition of any assets to the trust, and seek to obtain the originals or copies of the relevant due diligence documentation (e.g. verification of the settlor’s identity and source of funds). Having done so, the FSP should consider whether it is adequate, according to the circumstances of the particular case.
10. However, in some cases, such documentation may not be available or upon review may not be adequate. In such cases the FSP should make reasonable inquiries of its own:
 - (1) Where the Settlor is Alive: Where the settlor is still alive, the FSP should make the relevant inquiries of the settlor.
 - (2) Where the Settlor is dead: Where the settlor is dead, the FSP should make reasonable inquiries about the settlor of such persons as may be appropriate in the circumstances of the particular case e.g. the existing or predecessor trustees or the beneficiaries. In particular, if the beneficiaries are relatives of the deceased settlor, as will often be the case, appropriate inquiry of the oldest beneficiaries may be the most fruitful.

Simplified/Enhanced Due Diligence

Simplified Due Diligence

11. Section 21 of the AMLRs states that, “a person carrying out relevant financial business may apply simplified customer due diligence measures where lower risks have been identified, and the simplified customer due diligence shall be commensurate with the lower risk factors”.
12. The simplified measures shall be commensurate with the lower risk factors but are not acceptable whenever there is suspicion of money laundering or terrorist financing, or higher risk scenarios apply.

Enhanced Due Diligence

13. Circumstances in which enhanced due diligence is relevant include circumstances where:
 - (1) a customer is resident in another country or territory;
 - (2) a customer is not physically present for identification purposes; or
 - (3) a customer is a company with nominee shareholders.

F. ML/TF WARNING SIGNS

1. FSPs are urged to be particularly vigilant in the following areas:
 - (1) Links with high risk and non-cooperative jurisdictions.
 - (2) Certain countries are associated with crimes such as drug trafficking, fraud and corruption and consequently pose a higher potential risk to FSPs. Conducting a business relationship with such a country exposes the FSP to reputational risk and legal risk.
2. FSPs are advised to consult publicly available information to ensure that they are aware of those countries/territories described in 1(1) above. A source of relevant information for FSPs is the FATF website at www.fatf-gafi.org. Other useful websites include: the Financial Crimes Enforcement Network (FinCEN) at www.ustreas.gov/fincen/ for country advisories; the Office of Foreign Assets Control (OFAC) www.treas.gov/ofac for information pertaining to US foreign policy and national security; and Transparency International, www.transparency.org for information on countries vulnerable to corruption.
3. FSPs should exercise additional caution and conduct enhanced due diligence on individuals and/or entities based in high-risk countries. Caution should also be exercised in respect of the acceptance of certified documentation from individuals/entities based in high-risk countries/territories and appropriate verification checks undertaken on such individuals/entities to ensure their legitimacy and reliability.

Total Changes of Beneficiaries

4. Where all of the existing beneficiaries are removed and different beneficiaries are added, or where this is intended, or where the trust is intentionally structured to permit this, heightened scrutiny is required by the FSP. The FSP should ensure that it documents a clear rationale for changes to the originally stated beneficiaries or classes of beneficiaries.
5. There may be perfectly legitimate reasons for this occurring or for this to be possible, but FSPs should endeavour to ascertain what these are.

Unexplained Requests for Anonymity

6. Where the settlor's stated reason for establishing a trust is the need for anonymity or confidentiality in relation to himself or the beneficiaries, the FSP should ensure that it is clear on the legitimacy of settlor's purposes and rationale prior to taking on such business.
7. It should not be automatically inferred that this in itself is an illegitimate need. There are many instances where a settlor may desire that the extent or nature of his wealth is not known to third parties – such as children, the media, business or industry colleagues, potential kidnappers, industry competitors etc. The legitimate need for privacy is acknowledged and

supported in the Cayman Islands as in other countries and may be a reason for establishing a trust.

8. However, FSPs are encouraged to adopt a conservative and cautious approach in this area. In particular, where the reasons given by the settlor for the need for anonymity or confidentiality are not clear or are unconvincing, FSPs should take appropriate further action.

Beneficiaries with no apparent connection to the settlor

9. Another red flag or warning sign is where there is no readily apparent connection or relationship of the settlor to the beneficiaries.
10. Since the economic nature of a trust is a mechanism for the settlor to benefit a beneficiary, typically not in return for any consideration (payment, transfer of assets or provision of services), FSPs should endeavour so far as possible to ascertain the settlor's reasons for wanting to benefit a beneficiary with whom he seemingly has no connection.
11. This can be a matter of great sensitivity (for example, where the beneficiary turns out to be an illegitimate child of the settlor) and FSPs are encouraged to take this into account while pursuing necessary or appropriate inquiries.

Unexplained Urgency

12. FSPs are encouraged to inquire as to the reasons for any urgency, especially where the settlor is indicating that some of the due diligence process can or will be completed after the trust has been established or a transaction has been entered into by the trustees or an underlying company owned by the trust.

Potentate Risk

13. Business relationships with individuals holding important public positions and with persons or companies clearly related to them may expose FSPs to significant reputational and/or legal risk. The risk occurs when such persons abuse their public powers for either their own personal benefit and/or the benefit of others through illegal activities such as the receipt of bribes or fraud. Such persons commonly referred to as 'politically exposed persons' (PEPs) or 'potentates' include heads of state, ministers, influential public officials, judges and military commanders.
14. Provision of financial services to corrupt PEPs exposes FSPs to reputational risk and costly information requests and seizure orders from law enforcement or judicial authorities. In addition, public confidence in the ethical standards of a whole financial system can be undermined.
15. FSPs are encouraged to be vigilant in relation to PEPs from all jurisdictions; in particular High Risk Countries who are seeking to establish business

relationships. FSPs should, in relation to politically exposed persons, in addition to performing normal due diligence measures:

- (1) have appropriate risk management systems to determine whether the customer is a politically exposed person;
 - (2) obtain senior management approval for establishing business relationships with such customers;
 - (3) take reasonable measures to establish the source of wealth and source of funds; and
 - (4) conduct enhanced ongoing monitoring of the business relationship.
16. FSPs should obtain senior management approval to continue a business relationship once a customer or beneficial owner is found to be, or subsequently becomes a PEP.
17. See Section 7 of Part II of these Guidance Notes – Politically Exposed Persons.

Private Trust Companies (PTCs)

18. In the case of FSPs that provide registered office services to PTCs, when a PTC is the applicant for business, including in respect of registered office services, the applicant for business will usually be the settlor(s) of the trusts of which the private trust company will be trustee.
19. The due diligence recommended for registered office service providers to PTCs is the same as recommended in the Company Formation and Company Management Sections of these Guidance Notes.
20. PTCs must have in place controls to comply with the ML/TF framework in the jurisdiction.
21. In the case that a PTC is managed by an FSP, the FSP must ensure that its ML/TF controls extend to the services that it provides to the PTC, including training and record retention controls.

Trusts established under STAR

22. Where any of the objects of a trust is a purpose, whether or not Charitable, FSPs are encouraged to understand the rationale for establishing the trust. In such circumstances additional attention should be paid to the parties to the trust and the source of any funds settled in the trust.
23. In cases where any of the objects of a trust is a charity, FSPs should make best effort to determine the legitimate nature of the charity and make best efforts to satisfy themselves that the beneficiary charity is not being utilized to facilitate ML/TF activity. FSPs should document the results of any research or investigation of the legitimacy and goals of the charity in such situations.

Other warning signs

24. Additional warning signs to which FSPs should be particularly alert include the following:
- (1) situations where there is no clear rationale for the structure proposed and/ or result in a lack of transparency without an acceptable explanation or where it is inordinately difficult to identify (where relevant) the beneficiaries;
 - (2) complex structures that span a number of different jurisdictions, with no clear rationale;
 - (3) structures involving legal persons and legal arrangements that involve high value goods and/or transactions;
 - (4) structures or customers that are involved with or connected to higher risk jurisdictions;
 - (5) structures that involve trust assets that originate or reside in higher risk jurisdictions;
 - (6) involvement of PEPs in the structures, including where the PEP may not be the CSP's customer/client;
 - (7) customers that invest or settle using cash or request cash distributions;
 - (8) customers that insist on retaining control of the trust assets;
 - (9) In the case of express trusts, an unexplained relationship between a settlor and beneficiaries with a vested right, other beneficiaries and persons who are the object of a power;
 - (10) an unexplained nature of classes of beneficiaries and classes within an expression of wishes.
 - (11) customers who request third party signatories on bank accounts (including themselves);
 - (12) beneficial owners who wish to retain control over assets through powers delegated; customer does not cooperate with FSP's requests for information;
 - (13) clients who are introduced by an overseas source based in a country noted for drug production or distribution or a client introduced by an overseas branch, affiliate in a country not on the AMLSG List;
 - (14) clients who are introduced by or engaged as a service providers by other TCSPs, financial institutions, and other designated non-professional businesses and professions who are not subject to adequate AML/CFT laws and measures and who are not adequately supervised
 - (15) customers who transfer funds or shares to accounts in a country other than those that are on the AMLSG List; or
 - (16) any transaction involving an undisclosed party.