



An Roinn Dlí agus Cirt
Department of Justice

Anti-Money Laundering Compliance Unit (AMLCU)

Annual Report 2021

www.amlcompliance.ie

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Acronyms

2010 Act as amended	Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended
AML/CFT	Anti-Money Laundering and Counter Financing of Terrorism
AMLCU	Anti-Money Laundering Compliance Unit in the Department of Justice
AMLSC	Anti-Money Laundering Steering Committee (chaired by the Department of Finance)
CAB	Criminal Assets Bureau
CAR	Competent Authority Report (under s.63 of the 2010 Act as amended)
CDD	Customer Due Diligence
DAB	Designated Accountancy Body (a prescribed accountancy body)
DNFBPs	Designated Non-Financial Businesses and Professions
EDD	Enhanced Due Diligence
EU	European Union
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit Ireland (FIU Ireland)
GoAML	Software for FIUs developed by the United Nations Office on Drugs and Crime
HVGD	High Value Goods Dealer
ML/TF	Money Laundering / Terrorist Financing

MoU	Memorandum of Understanding
PMC	Private Members Club
RBO	Central Register of Beneficial Ownership of Companies and Industrial and Provident Societies
SRB	Self-Regulating Body
S.I. (or SI)	Statutory Instrument
STR	Suspicious Transaction Report
TCSP	Trust or Company Service Provider

Introduction

This 2021 annual report has been prepared by the Anti-Money Laundering Compliance Unit (AMLCU) of the Department of Justice under section 65 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended (“the 2010 Act as amended”). Under section 65 of the 2010 Act as amended, a competent authority shall include, in each annual report published by the authority, an account of the activities that it has carried out in performing its functions under this Act during the year to which the annual report relates.

Under section 60 of the 2010 Act as amended, the Minister for Justice is a competent authority. The Minister for Justice has delegated the Minister’s competent authority functions under section 108 of the 2010 Act as amended to officials in the Anti-Money Laundering Compliance Unit in the Department. The AMLCU supervises certain designated non-financial businesses and professions that are required to take measures to ensure their businesses are not being used for money laundering and/or terrorist financing. There are multiple supervisors of designated persons in Ireland including the Central Bank (financial sector), Property Services Regulatory Authority (property service providers), Legal Services Regulatory Authority (barristers), Law Society (solicitors) and Designated Accounting Bodies (accountants.) The AMLCU is the supervisor by default where there is no existing regulator for a particular category of obliged entities in Ireland.

The framework in Ireland to prevent money laundering and terrorist financing happening in the State derives from Ireland’s participation both in the Financial Action Taskforce (FATF) and in the European Union (EU). These two international bodies set the standards for measures to be implemented by countries to prevent financial and non-financial businesses and professions being used for money laundering and terrorist financing. Legal obligations in Ireland are set out in the 2010 Act as amended.

Risk based approach to supervision

Under section 63C of the 2010 Act as amended, all competent authorities are required to adopt a risk-based approach to anti-money laundering/counter financing of terrorism (AML/CFT) supervision. In line with its obligations under the 2010 Act as amended, staff of the AMLCU are required to be aware of domestic and international risks of money laundering and terrorist financing which could affect the designated persons under its supervision and to base the frequency and intensity of onsite and offsite supervision on the risk profile of the designated persons and on the risks of money laundering and terrorist financing in the State.

The AMLCU participates in the AML Steering Committee (AMLSC), an Inter-Departmental/Inter-Agency committee led by the Department of Finance that coordinates the national approach on AML/CFT. The AMLSC develops the National Risk Assessment on money laundering and terrorist financing and also develops specific national sectoral risk assessments. During 2021, the AMLCU participated in a subcommittee of the AMLSC that was developing a sectoral AML/CFT risk assessment on Trust or Company Service Providers (TCSPs).

The AMLCU's website www.amlcompliance.ie includes information on risk factors by business type, a template for a business risk assessment for a High Value Goods Dealer, copies of national risk assessments and FATF guidance on risk-based supervision, including specific FATF guidance for some of the categories of business supervised by the AMLCU.

During compliance inspections, AMLCU regulatory investigators review the designated person's documented risk assessment of its business. They also review the risk assessment of customers and/or transactions to determine whether the obliged entity is taking account of the specific risks the business may be facing e.g. use of cash, geographical factors, type of customer/transaction etc. The AMLCU then assesses the adequacy of the controls in place to mitigate risks. The regulatory investigator's inspection contributes to an overall understanding of whether the designated person is considered low, medium or high risk.

Designated Persons supervised by the AMLCU

Section 60 of the 2010 Act as amended sets out which competent authorities are responsible for supervising the various categories of designated persons. The AMLCU is responsible for supervising those designated persons for which there is no existing regulator for that category of business/profession. The various designated persons that were under the AMLCU supervisory remit in 2021 are set out in Table 1 under.

Table 1: Designated Persons and Competent Authorities

Designated Persons	Competent Authority
Regulated Credit and Financial Institutions (including some TCSPs which are subsidiaries of regulated entities)	Central Bank of Ireland
Solicitors	Law Society
Barristers	Legal Services Regulatory Authority (LSRA)
Property Service Providers	Property Services Regulatory Authority (PSRA)
Accountants (including some TCSPs in specific circumstances)	6 Designated Accounting Bodies (DABs)
Any designated person who is not subject to supervision by another regulator: <ul style="list-style-type: none"> - Dealers in High Value Goods (HVGs) - Trust or Company Service Providers (TCSPs) not otherwise supervised - Notaries public (certain services) - Art Traders and Art Intermediaries - Tax Advisors and External Accountants not otherwise supervised - Gambling service providers (private members clubs, bookmakers, on-course gambling and online gambling providers) 	Minister for Justice (delegated to the AMLCU)

Regulatory Investigations

The AMLCU supervises High Value Goods Dealers (HVGDs) (car dealers, boat dealers, jewellers, gold bullion dealers etc.), Trust or Company Service Providers (TCSPs) not supervised by the Central Bank or designated accountancy bodies, gambling service providers (bookmakers, online, on-course), notaries public in respect of certain services, and tax advisors and accountants not otherwise supervised. The most recent cohort that the AMLCU became responsible for supervising in 2021 was those trading or acting as an intermediary in works of art with a value (in a single transaction or series of linked transaction) of €10,000 or more.

Designated persons must take various actions to ensure their business is not being used for either money laundering or terrorist financing. This includes, inter alia, having a business risk assessment and appropriate policies and procedures and training in place. Table 2 under sets out the key sections of the 2010 Act as amended, the obligations on designated persons and the offences committed in the case of non-compliance.

Regulatory investigators of the AMLCU, who are appointed as authorised officers under the 2010 Act as amended, carry out inspections on designated non-financial businesses and professions for which the AMLCU is the supervisor. At an inspection, the regulatory investigator typically inspects a business's documentation, samples transactions and interviews staff. The regulatory investigator assesses the designated person's compliance or otherwise with their obligations.

Table 2: Overview of the Designated Person's obligations under the 2010 Act as amended

Section	Obligation on the Designated Person	Offence
Section 30A	Documented Risk Assessment document - identify and assess the risks of money laundering and terrorist financing in relation to the business	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment to a fine or imprisonment not exceeding 5 years (or both).
Section 30B	Assessment of risk in relation to a customer or transaction in determining the measures to be	A designated person who fails to document a determination in accordance with a direction under subsection (2) commits an offence and is liable—

	applied in relation to customer due diligence	(a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment to a fine or imprisonment not exceeding 5 years (or both).
Section 33/33A/34A	Customer due diligence (CDD) - Identification and verification of customers and beneficial owners. Timing of CDD (prior to commencing relationship or carrying out transaction/service). Electronic Money Derogation provisions (where applicable.)	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 35	Special measures applying to business relationships.	Except as provided by section 36, a designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 36A	Examination of background and purpose of certain transactions	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 37	Enhanced CDD — politically exposed persons.	A person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 38A	Enhanced CDD for high risk third countries	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 39	Enhanced CDD in cases of heightened risk	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or

		(b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 40	Reliance on other persons to carry out CDD	A designated person who relies on a relevant third party to apply a measure under section 33 or 35(1) remains liable, under section 33 or 35(1), for any failure to apply the measure.
Section 42 & Section 49	Requirement for designated persons and related persons to report suspicious transactions and not to tip off or make a disclosure that could prejudice an investigation	s.42: Except as provided by section 46, a person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both). s.49: A person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 54	Internal policies and procedures and training	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Section 55	Keeping of records by designated persons.	A designated person who fails to comply with this section commits an offence and is liable— (a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months (or both), or (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).

Inspections of Designated Persons by the AMLCU in 2021

In 2021, regulatory investigators of the AMLCU carried out a total of 280 inspections of designated persons under the Minister’s remit. This was a combination of onsite inspections and offsite inspections. Chart 1 under illustrates the numbers of designated persons by cohort type that were inspected in 2021.

Chart 1: Overview of 2021 compliance inspections by cohort



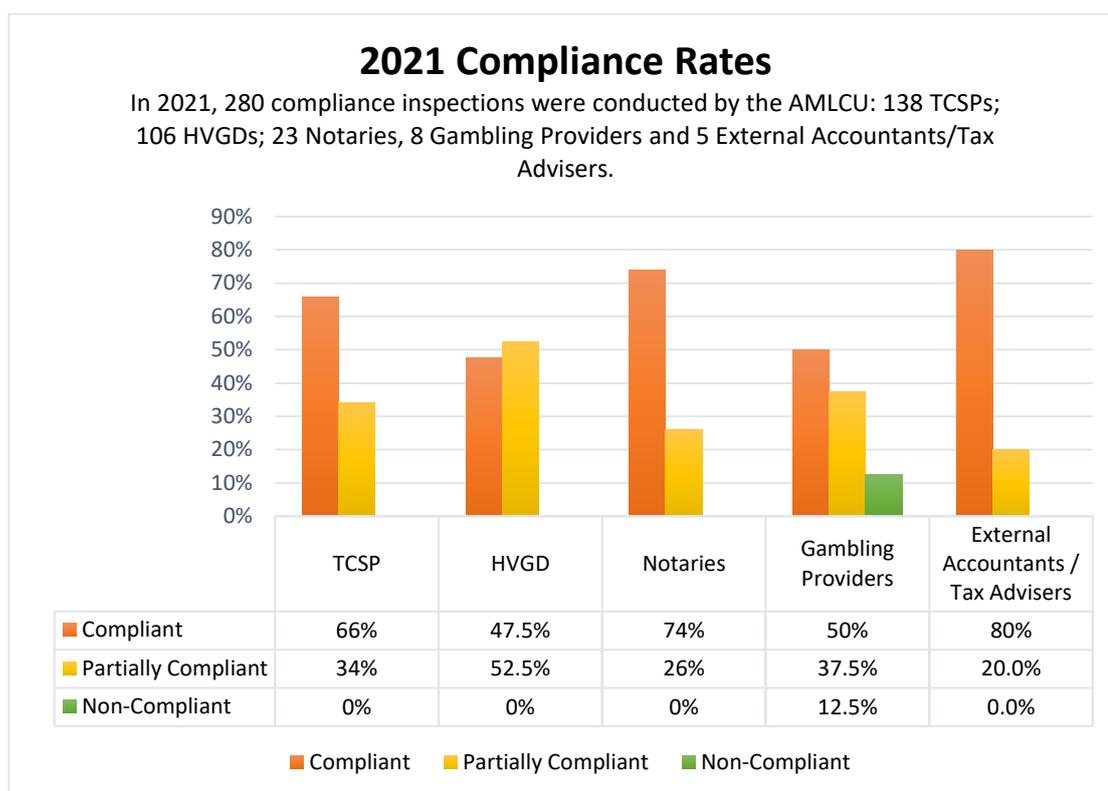
The breakdown of inspections by cohort was:

- 138 inspections of TCSPs
- 106 inspections of HVGDs (including car dealers, antique dealers, jewellers, gold bullion dealers, art traders)
- 23 inspections of Notaries Public
- 8 inspections of Gambling Providers
- 5 inspections of Tax Advisors/External Accountants not otherwise supervised

Compliance Rates

Following each inspection, the AMLCU regulatory investigator rates the designated person in terms of compliance with their legal obligations on the basis of their findings at inspection. Chart 2 below sets out the levels of compliance in 2021 by designated person cohort. ¹

Chart 2: 2021 compliance rates by designated person cohort²



¹ In the case of non-compliance identified, the gambling provider was notified of the deficiencies found and remedial measures required and a follow-up inspection was undertaken.

² No findings were issued post inspection in seven instances. This involved two TCSPs that were inspected and had no customers (the authorisations for the two TCSPs were both subsequently revoked.) Three HVGDs were inspected and found not to meet the criteria of a designated person, one HVGD inspected had ceased trading and in another case involving a HVGD, the inspection report is not yet finalised.

Impact of Covid-19 pandemic on AMLCU activities

During 2021, the disruption to business and society caused by the global pandemic remained a serious difficulty for many businesses in Ireland. Affected businesses included some of the designated persons supervised by the AMLCU, such as high value goods dealers, private members' clubs and retail bookmakers. For the first five months of 2021, AMLCU regulatory investigators were unable to conduct onsite inspections on health and safety grounds. During this period, the AMLCU regulatory investigators carried out 66 offsite inspections of TCSPs using Webex (online video software) and Sharefile (secure file transfer.)

As restrictions eased in June 2021, AMLCU regulatory investigators resumed onsite inspections, while following health safety protocols. While the AMLCU carried out more inspections of designated persons in 2021 than in 2020, the number of inspections completed was lower than envisaged at the start of the year due to the duration of pandemic restrictions.

Focus on TCSPs in 2021

During 2021 the AMLCU particularly focused its attention on TCSPs following the 2020 Country Specific Recommendation made by the European Commission that Ireland should “*Ensure effective supervision and enforcement of the anti-money-laundering framework as regards professionals providing trust and company services.*”

TCSPs are supervised by the Central Bank, where the TCSP is a subsidiary of a regulated entity and are supervised by Designated Accountancy Bodies (DABs) in specific circumstances (e.g. where the principals are members of a DAB.) Any TCSPs not supervised by the Central Bank or a DAB are supervised by the AMLCU. The AMLCU has a Memorandum of Understanding (MoU) on the supervision of TCSPs with the DABs and with the Law Society. The MoUs clarify who the relevant competent authority of a designated person is in given circumstances. Copies of the MoUs are available on the AMLCU website: www.amlcompliance.ie

As set out above, 138 TCSP inspections were carried out by the AMLCU in 2021, the largest number ever inspected in a single year. During 2021, the AMLCU also participated on a subcommittee of the Anti-Money Laundering Steering Committee (AMLSC) preparing a sectoral AML/CFT risk assessment on TCSPs. The committee was chaired by the Department of Finance and included participants from the FIU Ireland and the Central Bank, as well as the AMLCU.

In addition, during 2021, the AMLCU recruited a new manager with a legal background to work exclusively on Trust or Company Service Providers.

Under Chapter 9 of the 2010 Act as amended, TCSPs not supervised by the Central Bank or a DAB must make an application for authorisation to the AMLCU. At the end of the 2021, a total of 355 TCSPs were recorded as authorised by the AMLCU. The procedures relating to the authorisation of TCSPs are detailed and set out in sections 84 to 106 of the 2010 Act as amended. Before a TCSP application is authorised by the AMLCU and placed on the TCSP register, significant checks must be undertaken. The application process is detailed and requires submission of multiple documents as set out under.

- a) An application form (company, partnership or sole trader);
- b) A 'fit and proper' form for each beneficial owner, each principal and each Money Laundering Reporting Officer, where applicable, accompanied by valid photographic identification in the form of Government-issued identification (a passport or driving licence) and proof of address in the form of a utility bill dated within six months, or a bank statement dated within six months or a Government correspondence document dated within six months;
- c) A completed Garda Vetting form for persons resident in Ireland;
- d) A Police Certificate for persons resident abroad;
- e) A person who has resided outside of the State in the five years immediately prior must submit police certificates of no conviction from all countries that they resided in for longer than six months including a Garda Vetting form for any period of residence in Ireland;
- f) Payment in the amount of €130;
- g) Details of the TCSP's proposed Anti-Money Laundering Policies and Procedures;
- h) All new applications are required to be accompanied by the Memorandum and Articles of Association/Constitution of the entity to be registered; and
- i) Proof of the registration of the trading name of the TCSP.

The AMLCU also carries out various background checks using a variety of means including checking register of beneficial ownership. TCSPs must renew their authorisation every three years. In 2021, the AMLCU processed 49 TCSP authorisation renewals, 21 new authorisation applications and 16 revocations. In addition, 1 TCSP was transferred to the Central Bank as it was found to come under the bank's remit.

In December 2021, the AMLCU issued a Direction to all TCSPs under section 30B of the 2010 Act as amended.³ Having regard to the size and nature of the businesses operated by the TCSPs it supervises and the need for TCSPs to accurately identify and assess the risk of money laundering and terrorist financing in relation to its customers and transactions, the AMLCU under section 30B(3) of 2010 Act as amended directed that TCSPs, as a class of designated persons for whom the AMLCU is the competent authority, must document their determinations under s.30B(1) of the Act. All of a TCSP's transactions and customers should be risk assessed and such documented assessment should be available on request to the AMLCU.

In 2021, the AMLCU submitted 26 Discrepancy Notices to the Companies Registration Office in respect of apparent discrepancies it found on the Register of Beneficial Ownership Companies and Industrial and Provident Societies (RBO.)

³ <https://www.amlcompliance.ie/wp-content/uploads/2022/01/Notice-to-TCSPs-%E2%80%93-Direction-under-section-30B-%E2%80%93-January-2022.pdf>

Suspicious Transaction Reports (STRs)

Under section 42 of the 2010 Act as amended, a designated person who knows, suspects or has reasonable grounds to suspect, on the basis of information obtained in the course of carrying on business as a designated person, that another person has been or is engaged in an offence of money laundering or terrorist financing shall report to the Financial Intelligence Unit (FIU Ireland) and the Revenue Commissioners that knowledge or suspicion or those reasonable grounds.

Table 3 under was produced by FIU Ireland⁴ and sets out the number of STRs received in 2018, 2019, 2020 and 2021 by business type or profession.

⁴ https://fiu-ireland.ie/public_documents/strs_received.pdf

Table 3: STRs received by FIU Ireland (2018-2021) by business/profession

		2018	2019	2020	2021*
STR **	<i>Accountant</i>	21	17	11	33
	<i>Auctioneer</i>	2	4	2	5
	<i>Auditor</i>	20	21	25	4
	<i>Bank</i>	14,544	15,031	19,322	23,323
	<i>Bookmakers</i>	87	164	276	299
	<i>Bureau de Change</i>	203	189	50	46
	<i>Car Dealer</i>	132	118	61	86
	<i>Casino</i>	137	87	72	259
	<i>Credit Union</i>	5,489	6,047	5,829	4,993
	<i>DHVG</i>	19	35	56	59
	<i>eMoney Institution</i>	26	28	351	1,382
	<i>Fund</i>	17	13	17	41
	<i>Fund Administrator</i>	50	43	35	45
	<i>Fund Manager</i>	78	77	48	28
	<i>Investment Firm</i>	16	26	17	21
	<i>Investment Intermediary</i>	1	1	1	2
	<i>Life Assurance Company</i>	608	356	279	123
	<i>Money Lender</i>	5	19	4	4
	<i>Money Remitter</i>	83	94	91	58
	<i>Notary Public</i>	0	0	0	1
	<i>Other Financial Services Provider</i>	294	324	316	417
	<i>Other Fund Service Provider</i>	8	7	9	9
	<i>Payment Institution</i>	2,017	1,685	2,637	3,247
	<i>Private Members Club</i>	17	4	1	1
	<i>Property Service Provider</i>	0	1	1	0
	<i>Retail Credit Firm</i>	28	99	92	428
	<i>Solicitor</i>	13	8	8	12
<i>Tax Advisor</i>	0	0	0	1	
<i>TCSP</i>	15	19	6	12	
<i>VASP</i>	0	0	0	300	
<i>Other</i>	9	4	4	0	
		23,939	24,521	29,621	35,239
STReu	<i>eMoney Institution</i>	0	0	0	1,944
	<i>Fund Manager</i>	0	0	0	51
	<i>Life Assurance Company</i>	0	0	0	286
	<i>Payment Institution</i>	0	0	0	476
	<i>VASP</i>	0	0	0	716
		0	0	0	3,473
Total		23,939	24,521	29,621	38,712
% Change		-	2%	21%	31%

* 2021 Provisional Figures as of 16 January 2022 ** Designation is selected by entity at registration

Direction to comply issued to Designated Persons

Under section 63 of the 2010 Act as amended, the AMLCU as a competent authority is required to effectively monitor the designated persons for whom it is a competent authority and to take measures that are reasonably necessary for the purpose of securing compliance by those designated persons with their legal requirements. The AMLCU must consider whether the designated person is able to demonstrate that the requirements of the 2010 Act as amended are being met.

Under the 2010 Act as amended, a State competent authority may issue a direction (legal instruction) to a designated person, which the designated person must comply with. The most common directions issued by the AMLCU are as follows:

Section 68 Direction: Under section 68 of the 2010 Act as amended, a State competent authority may by notice in writing direct a designated person to furnish to the authority an explanation of any documents relating to the designated person.

and

Section 71 Direction: Under section 71 of the 2010 Act as amended, a State competent authority may by notice in writing direct a designated person to discontinue or refrain from engaging in specified conduct or may direct that the designated person take specific actions or establish specific processes or procedures that in the opinion of the authority are reasonably necessary for the purposes of complying with any specified provision of the 2010 Act as amended.

Failure by a designated person to take action on foot of a direction issued by the AMLCU may result in prosecution. In 2021, the AMLCU issued a total of 11 directions.

Competent Authority Reports (CARs) made by AMLCU regulatory investigators to FIU Ireland and Revenue

Under section 63(4) of the 2010 Act as amended, a competent authority that, in the course of monitoring a designated person, acquires any knowledge or forms any suspicion that another person has been or is engaged in money laundering or terrorist financing shall report that knowledge or suspicion to An Garda Síochána and the Revenue Commissioners.

In 2021, the AMLCU submitted 35 competent authority reports (CARs) to FIU Ireland on GoAML under section 63 of the 2010 Act as amended. FIU Ireland is Ireland's Financial Intelligence Unit and it is located in An Garda Síochána. Chapter 3A of the 2010 Act as amended sets out the powers of FIU Ireland.

In February 2021 the AMLCU met with the Financial Intelligence Unit (FIU) to receive feedback and discuss suspicious transaction reports (STRs) submitted by designated persons under the supervision of the AMLCU to the FIU as well as competent authority reports (CARs) submitted by the AMLCU.

Enforcement under the 2010 Act as amended and expansion of the regulatory toolkit

In February 2021, the AMLCU received two days of training on enforcement with a view to improving its capacity to bring successful enforcement action. The training involved half a day from the Office of the Director of Public Prosecutions followed by a day and a half from Ashtree Risk Group on preparing files for prosecution under the 2010 Act as amended.

In July 2021, the AMLCU set up a Working Group to examine the feasibility of expanding the regulatory enforcement toolkit under the 2010 Act as amended. The Working Group was made up of representatives from the Department of Justice, the Department of Finance, the Companies Registration Office, the Office of the Director of Corporate Enforcement, the Law Reform Commission, the Central Bank, FIU Ireland and the Commission for Regulation of Utilities.

The Working Group considered a variety of systems and issues and had presentations from several bodies. The Law Reform Commission presented on their research on regulatory powers and corporate offences, as well as on recent developments and case law. Other presentations included the administrative sanctioning provisions in the 2018 Data Protection Act and in the Property Services Regulation Act 2011; the Central Bank's administrative financial sanctions regime; the UK Financial Conduct Authority administrative sanctions regime; the Commission for Regulation of Utilities on its enforcement powers and planned actions; the Companies Registration Office and the Commission for Communications Regulation on their powers in relation to Fixed Charge Penalty Notices for compliance breaches.

The Working Group noted that the introduction of administrative fines would be for the purpose of securing improved levels of compliance by obliged entities in terms of taking all the measures required under the 2010 Act as amended to ensure their business is not being used for money laundering or terrorist financing.

The main recommendation of the Working Group was that the 2010 Act should be further amended to expand the regulatory toolkit to provide the AMLCU in the Department of Justice

with the power to issue administrative fines via Fixed Charge Penalty Notices. These administrative fines could be issued for certain suitable strict liability offences involving breaches by obliged entities of their compliance obligations under the Act. In December 2021, Government approved the recommendations of the working group, which will now be taken forward and which will require further amendments to be made to the 2010 Act as amended.

Outreach Activities in 2021

Dedicated Website maintained by the AMLCU

The AMLCU website, www.amlcompliance.ie, is a key tool used by the AMLCU to provide information to designated persons on topics related to AML/CFT compliance. The AMLCU uses its website to communicate with designated persons under its supervision by making available important information on AML matters.

The website includes information notices on risk factors by business category, application forms, national risk assessments, FATF guidance on risk-based supervision and information on how to make suspicious transaction reports to FIU Ireland and to Revenue. The website also contains recordings of recent webinars the AMLCU hosted. The AMLCU website also contains the register of TCSPs authorised by the Minister for Justice and under the supervision of the AMLCU. The website is updated regularly by the AMLCU.

Faculty of Notaries Public webinar

In March 2021, the Faculty of Notaries Public in Ireland (FNPI) and the AMLCU presented to notaries public on their obligations under the 2010 Act as amended. The webinar was well attended and provided the AMLCU with the opportunity to speak directly to over 200 notaries about AML/CTF obligations, as well as providing information on the AMLCU inspection process.

The AMLCU inspected 23 notaries public in 2021. In December 2021, the AMLCU provided feedback on inspection findings to the Faculty of Notaries with a view to continuing to improve compliance levels.

Presentation at the Annual Business Law Conference of the Law Society of Ireland

In September 2021 the AMLCU presented at the Annual Business Law Conference of the Law Society of Ireland. The presentations included a detailed introduction to the AMLCU and its legal framework (both domestic and internal legislation), and a description of the key AML/CTF

obligations for TCSPs included in the 2010 Act as amended as well as an introduction to the AMLCU inspection process.

Presentation to the Private Sector Consultative Forum

In October 2021 the AMLCU presented to the Private Sector Consultative Forum. The presentations included a detailed introduction to the AMLCU and a description of the key AML/CTF obligations included in the 2010 Act as amended as well as an overview of the AMLCU inspection process.

Presentation and discussion at CAB training programme and interactive discussion

In November 2021 the AMLCU made an online presentation at the Criminal Assets Bureau (CAB) training programme on the proceeds of crime that is accredited by the University of Limerick. Following the presentation, there was an interactive discussion between the AMLCU regulatory investigators and the course participants.

AMLCU Webinar for Art Traders and Art Intermediaries

On 23 April 2021, the Criminal Justice (Money Laundering and Terrorist Financing) Act 2021 further amended the 2010 Act and served to transpose the EU's fifth money laundering Directive. One of the changes introduced was the inclusion of high value art traders and high value art intermediaries as a category of designated persons under the 2010 Act as amended.

Under section 25 of the 2010 Act as amended, persons trading or acting as an intermediary in the trade of works of art (including when carried out by an art gallery or an auction house) but only in respect of transactions of at least €10,000 in value (whether in one transaction or a series of transactions that appear to be linked) are now a new category of designated person obliged to take the measures set out in the 2010 Act as amended to ensure their business is not being used for money laundering and/or terrorist financing. In December 2021, the AMLCU hosted a webinar for Art Traders and Art Intermediaries which consisted of an introductory presentation from the AMLCU, a presentation on obligations under the 2010 Act as amended, a presentation from the

Financial Intelligence Unit (FIU) (AGS) on risks, a presentation from the Revenue Commissioners on suspicious transaction reporting and a questions and answers session. A recording of the webinar has been made available on the AMLCU website – www.amlcompliance.ie

Meetings with the Irish Tax Institute

During 2021, the AMLCU held two meetings with the Irish Tax Institute (ITI) to discuss supervision of tax advisors under the 2010 Act as amended. The ITI have assisted the AMLCU in identifying a number of its members that fall to be supervised by the AMLCU.

Direct feedback to designated persons

The AMLCU is focused on ensuring that its supervisory efforts have a positive effect on compliance. AMLCU staff consistently promote awareness of AML/CFT obligations and risks facing the various categories of business under its remit. When carrying out an inspection, a regulatory investigator will use the meeting to remind the designated person of their various obligations under the 2010 Act as amended and will provide specific feedback relating to the inspection findings.

After each inspection, the AMLCU will issue an inspection follow up letter that clearly details any deficiencies identified during the inspection and will indicate appropriate remedial measures needed to correct these failings. All inspection follow up letters issued by the AMLCU include a detailed reminder to the designated person of their full obligations under the 2010 Act as amended, with the requirement to make suspicious transaction reports specifically emphasised.

Meetings with other stakeholders

During 2021, the AMLCU continued its engagement with the Irish Bookmakers Association (IBA). 8 online gambling providers were inspected by the AMLCU during 2021. During 2021, the AMLCU also continued to meet with other stakeholders to discuss AML/CFT in relation to matters of mutual interest. This included meetings with the Companies Registration Office (CRO) for the purpose of identifying potential trust or company service providers (TCSPs) operating without the

proper authorisation, with the Department of Finance who lead on money laundering policy, with the Financial Intelligence Unit, the Department's Legal Unit etc.

During 2021, the AMLCU continued to participate in AMLSC meetings as well as in some FATF meetings, including a FATF working group on beneficial ownership. In 2020, the AMLCU established a cross-functional AML committee, comprising the policy, legislation, AMLCU and transparency functions of the Department of Justice. During 2021 this cross-functional committee continued to meet bi-monthly to discuss money laundering and terrorist financing developments and to ensure cross-functional coordination and collaboration within the Department.

Registration of Private Members Clubs

Under section 109 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended, persons directing Private Members' Clubs (PMCs), at which gambling activities are carried on, are required to register with the AMLCU. Sections 109A-109E of the 2010 Act detail various requirements and procedures relating to fit and proper checks of managers and beneficial owners of PMCs, which are required once every three years. At the end of 2021, 34 PMCs were recorded as being registered with the AMLCU. PMCs were affected by closure during the COVID-19 pandemic with many PMCs affected for a large part of 2021.

Appendix 1: Meaning of Designated Persons

Section 25 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended sets out the meaning of ‘designated person.’ Designated persons are specific types of businesses or professions which are required to comply with the provisions of the 2010 Act as amended to ensure they are not being used for money-laundering or terrorist financing. The list of designated persons is not a fixed list and is regularly amended in order to comply with FATF recommendations, EU Directives and/or policy decisions. As the annual report relates to 2021, the list under relates to designated persons in 2021.

Under section 25:

Designated person” means any person, acting in the State in the course of business carried on by the person in the State, who or that is—

- (a) a credit institution, except as provided by *subsection (4)*,
 - (b) a financial institution, except as provided by *subsection (4)*,
 - (c) an auditor, external accountant, tax adviser or any other person whose principal business or professional activity is to provide, directly or by means of other persons to which that other person is related, material aid, assistance or advice on tax matters,
 - (d) subject to *subsection (1A)*, a relevant independent legal professional,
 - (e) a trust or company service provider,
 - (f) a property service provider including a property service provider acting as an intermediary in the letting of immovable property, but only in respect of transactions for which the monthly rent amounts to a total of at least €10,000,
 - (g) a casino,
 - (h) a person who effectively directs a private members’ club at which gambling activities are carried on, but only in respect of those gambling activities,
 - (i) any person trading in goods, but only in respect of transactions involving payments, to the person or by the person in cash, of a total of at least €10,000 (whether in one transaction or in a series of transactions that are or appear to be linked to each other),
 - (ia) a virtual asset service provider,
 - (ib) a person trading or acting as an intermediary in the trade of works of art (including when carried out by an art gallery or an auction house) but only in respect of transactions of a total value of at least €10,000 (whether in one transaction or in a series of transactions that are or appear to be linked to each other),
 - (ic) a person storing, trading or acting as an intermediary in the trade of works of art when this is carried out in a free port but only in respect of transactions of a total value of at least €10,000 (whether in one transaction or as a series of transactions that are or appear to be linked to each other), or
 - (j) any other person of a prescribed class.
- Under SI 487 of 2018, providers of gambling services are prescribed as a class of persons for the purposes of section 25(1)(j) of the Act of 2010.*

Appendix 2 - Competent Authorities under the 2010 Act as amended

Section 60 of the 2010 Act as amended sets out the meaning of competent authority, which is the supervisory body required to monitor specified designated persons. The regulated financial sector is supervised by the Central Bank of Ireland. Other designated persons are termed “Designated Non-Financial Businesses and Professions” (DNFBPs.) The DNFBPs comprise those businesses and professions that are specified in the 2010 Act as amended or prescribed by statutory instrument by the Minister and that are required to comply with provisions of the legislation. At the end of 2021, the number of competent authorities of DNFBPs was 10, including the Minister who has delegated competent authority functions to the AMLCU under section 108 of the 2010 Act as amended. In the DNFBP sector, 7 of the supervisory bodies are ‘self-regulating bodies’ namely the 6 DABs and the Law Society. The other three are the Legal Services Regulatory Authority, the Property Services Regulatory Authority and the Minister for Justice. As the annual report relates to 2021, the list under relates to competent authorities during 2021.

Section 60 of the 2010 Act as amended

60.— (1) Subject to *section 61*, a reference in this Part to the competent authority for a designated person is a reference to the competent authority prescribed for the class of designated persons to which the designated person belongs.

(2) If no such competent authority is prescribed, a reference in this Part to the competent authority is a reference to the following:

(a) in the case of a designated person that is a credit institution or a financial institution, the Central Bank of Ireland;

(b) in the case of a designated person who is an auditor, external accountant, tax adviser or trust or company service provider—

(i) if the person is a member of a designated accountancy body, the designated accountancy body, or

(ii) if the person is not a member of a designated accountancy body and is a body corporate, or a body of unincorporated persons, carrying out its functions under this Part through officers and members of it who are members of a designated accountancy body, the designated accountancy body;

(c) in the case of a designated person who is a solicitor, the Law Society of Ireland;

(d) in the case of a designated person who is a barrister, the Legal Services Regulatory Authority;

(db) in the case of a designated person that is a property services provider, the Property Services Regulatory Authority;

(e) in the case of any designated person other than a designated person referred to in *paragraph (a), (b), (c), (d) or (db)*, the Minister.

(3) The Minister may prescribe a competent authority for a class of designated persons, for the purpose of *subsection (1)*, only if the Minister is satisfied that competent authority is more appropriate than the competent authority specified in *subsection (2)* for the class of designated persons, having regard to the nature of the business activities engaged in by that class.