



THE CENTRAL BANK OF BELIZE

MISSION:

To promote the stability of monetary and financial systems for the wellbeing of Belize.

AML STRATEGY:

It is the policy of the Central Bank of Belize (Central Bank) to contribute to the national AML strategy to prevent money laundering, terrorism financing, and financing the proliferation of weapons of mass destruction.

This strategy is a collaborative effort between the Central Bank, other domestic and foreign supervisory authorities, and supervised institutions to actively identify, understand, and assess ML/TF/PF risks in Belize's financial system. Together, risk-based mitigating measures are implemented to align with international standards and best practices. In addition, an on-going outreach is undertaken to sensitize stakeholders on AML matters, as necessary.



CENTRAL BANK
of BELIZE

Gabourel Lane
Belize City
BELIZE

Tel: (501) 223 – 6194

Web: www.centralbank.org.bz



CENTRAL BANK
of BELIZE

ANTI-MONEY LAUNDERING HIGHLIGHTS

Notice No. 4 | December 2023



Source: Google Photos

COUNTERING FRAUD IN REMITTANCE PAYMENTS

Payment service providers, including remittance service providers (RSPs), play a crucial role in facilitating the movement of funds between people. These services provide an efficient means of transferring money domestically and internationally.

RSPs can be used for money laundering and terrorist financing (ML/TF). The sector offers cheap and fast money transfer alternatives which make it attractive for perpetrators of fraud who wish to place criminal funds into the financial system.

HOW RSPS CAN DETECT AND PREVENT REMITTANCE FRAUD:

- ❑ Today, cross-border payments have become widely accessible in 190 countries, from Belize. This wide access results in challenges with rising payment fraud. Consequently, RSPs must invest in robust anti-money laundering (AML) measures to detect fraudulent transactions and protect their customers and their money.
- ❑ Remittance fraud can occur through various methods, such as phishing, insider fraud, online banking fraud, romance scams, telemarketing fraud, etc. Consequently, RSPs must conduct 'Risk Assessments' to identify, assess, and understand the risks they are exposed to.



Source: Google Photos

- ❑ Remittance scams often exhibit red flags such as unsolicited messages, promises of large financial gains, requests for personal information or payment upfront, and pressure to act quickly. It's crucial to be skeptical of any unsolicited offers and conduct due diligence.
- ❑ RSPs are required to report scams to the Financial Intelligence Unit (FIU) using the appropriate form.
- ❑ RSPs can be sanctioned for "Willful Blindness", which is the act of deliberately avoiding the knowledge of facts relating to illicit activities.
- ❑ MoneyGram Payment System Inc. and Western Union are monitored by the Financial Crimes Enforcement Network (FinCEN). Belize's RSPs act as agents for money service businesses operating in the United States, they are thus liable to civil and criminal fines for violating the Bank Secrecy Act.
- ❑ Read the FATF guidance, FTC remittance fraud case and FinCEN advisory at the links below:

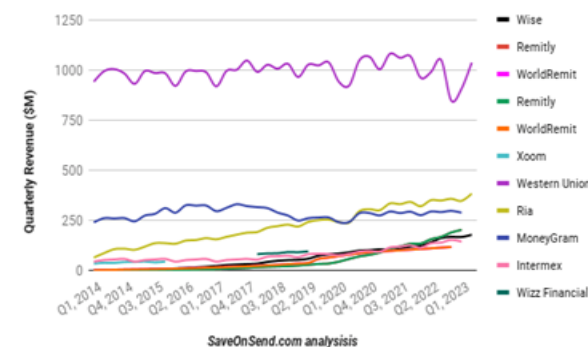
[https://www.fatf-gafi.org/Money Laundering through Money Remittance and Currency Exchange Providers](https://www.fatf-gafi.org/Money%20Laundering%20through%20Money%20Remittance%20and%20Currency%20Exchange%20Providers)

[https://www.ftc.gov/ftc sues Walmart for facilitating money transfer fraud](https://www.ftc.gov/ftc%20sues%20Walmart%20for%20facilitating%20money%20transfer%20fraud)

<https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2012-a001>

QUOTE

Money Transfer for Consumers: Total X-border Revenue



Source: Google Photos

KEY TAKEAWAYS:

Financial institutions that provide money transfer services are obligated to:

- ❑ Provide continuous training to frontline staff to equip them to identify techniques employed by fraudsters.
- ❑ Conduct regular 'ML/TF Risk Assessments' to identify and prevent remittance fraud.
- ❑ Adopt or create monitoring systems to detect fraud.
- ❑ Ensure KYC processes can identify fraudsters before they engage in criminal activity.
- ❑ Flag and report suspicious transactions to the FIU.
- ❑ Comply with AML/CFT/CPF obligations of the Money Laundering and Terrorism (Prevention) Act and Bank Secrecy Act to avoid sanctions.