

# Govt. moves on money laundering

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**MATA'AFIA KENI LESA**

The Government has moved to protect Samoa from the threat of "money laundering" and "terrorist financing" with a new digital monitoring system.

It has done this through the Central Bank of Samoa (C.B.S.), which yesterday announced that its Database System on Cash Transaction Reporting, is now live.

"The rationale for this is to ensure that our financial systems are well protected from the potential threat of money laundering and terrorist financing channeling through our financial system in large amounts," a statement from C.B.S. said.

"Also, this contributes to the solution of de-risking, or the closing down of bank accounts of money transfer operators by correspondent banks."

The new system is a result of the Money Laundering Prevention Amendment Act 2018, which covers the process of "Cash Transaction Reporting".

According to the Bank, every time a transaction is conducted at a commercial bank, or money transfer operator for the amount of SAT\$20,000 or more, the financial institution would have to report the details to the Financial Intelligence Unit (F.I.U.) of C.B.S.

This is where the web-based live Database System on cash transaction reporting, designed by local Computer Services Limited (C.S.L.), becomes extremely important. The system is accessed both the F.I.U. and the financial institutions.



The Central Bank of Samoa is leading the way in the fight against money laundering and terrorism financing. Photographer: Flickr.

"The Financial Institutions use this system to report any individual or company conducting a transaction equivalent to \$20,000 or more," the statement from the Bank continues.

"This involves sending, receiving, exchanging money or any other type of cash transaction. The system is then accessed by

the F.I.U. in order to analyse the volume of traffic of these cash transaction reports.

"This web-based system is a solution to the increasing number of cash transactions that are being reported to the F.I.U. (as opposed to reporting it manually)."

The Bank is adamant the system will improve the F.I.U.'s work to detect money laundering and terrorist financing.

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"This F.I.U. I.C.T. database system is funded by the Asia Pacific Group (A.P.G.) grant from the New Zealand Ministry of Foreign Affairs and Trade.

"On that note, we take this opportunity to thank A.P.G. for allocation of funding, and especially to the New Zealand MFAT for their kind assistance as the donor."

According to the statement, the main features of the web-based system are:

(a) It's user friendly;  
 (b) Each user has their own username and password to log in to the system. Each user is also assigned a user role which defines the level of access they have on the system. These security mechanisms protect the system and its data from unauthorized access;

(c) Encrypted Password - User passwords are stored in encrypted form. Therefore, no one can find out your password from the system, not even the System Administrators;

(d) Encrypted Communication - The system utilizes HTTPS and an SSL certificate to ensure that the data which travels between a user's web browser and the web server is encrypted. In simple terms, this allows for secure communication over the Internet;

(e) IP Address & Domain Restrictions - Only authorized IP addresses can access the system. This helps to prevent unauthorized parties from trying to gain access to the system;

(f) Data Entry Control - Controls are in place to ensure that mandatory fields are entered and are valid. This promotes data integrity.