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EXPLANATORY MEMORANDUM

For

Samoan Financial Institutions

in relation to

The Application and Use of the Consolidated Sanctions List

The Sanctions List

The FATF Recommendations require each country to implement the targeted financial sanctions regimes to comply with the United Nations Security Council resolutions relating to the prevention and suppression of terrorism and terrorist financing.

Specifically, FATF¹ Recommendation 6 requires each country to implement targeted financial sanctions to comply with the United Nations Security Council resolutions that require countries to freeze, without delay, the funds or other assets, and to ensure that no funds and other assets are made available to or for the benefit of:

- (i) any person, or entity designated by the United Nations Security Council (the Security Council) under Chapter VII of the Charter of the United Nations, as required by Security Council resolution 1267 (1999) and its successor resolutions 3; or
- (ii) any person or entity designated by that country pursuant to Security Council resolution 1373 (2001).

To give effect to this Recommendation and the UN resolutions, Samoa needs a way of communicating entities and persons who have been designated by the UN.

¹ Is the Financial Action Task Force which is the pace setter of international standards on Anti-Money Laundering ("AML") and Countering Finance Terrorism ("CFT"). They set the international standards and the FSRBs (FATF – Style Regional Bodies) implement these standards across different regions by stipulating 40 different recommendations as the international standard. Samoa is under the APG region: Asia Pacific Group and has been a member since May 2000. APG therefore conducts the assessments and the monitoring of Samoa in terms of its AML/CFT systems, technical compliance, laws and its effectiveness.

What does the list mean for Samoa?

The list provided herewith is provided to financial institutions in Samoa to allow them to identify designated persons and entities. This list will be posted on the Central Bank's website and will be updated periodically as the UN Security Council changes its list.

Financial institutions are required to either include this list in their automated screening systems, or, in the case of institutions not using automated screening systems, a method for ensuring that transactions conducted or attempted by persons and entities on the list are identified.

How can financial institutions apply this sanctions list?

Every financial institution should apply enhanced due diligence on all transactions to and from these jurisdictions and also to transactions to and from other jurisdictions conducted by legal entities from these jurisdictions (For example, a company from Panama sending money to Samoa from a bank account in Australia).