



GUIDELINES ON EXTERNAL ACCOUNT FREEZING

**FOR
FINANCIAL INSTITUTIONS**

DECEMBER 2022

Account Freezing Guideline 2022

This guideline is hereby established to notify reporting entities of their responsibilities for the freezing of accounts upon request by the Financial Reporting Center (FRC). Furthermore, this guideline shall serve as the “**informal warning**” in line with the Center’s mandate, authorities, and responsibilities as outlined in the Anti-Money Laundering and Combatting the Financing of Terrorism Act of 2016 and the Anti-Money Laundering and Combatting the Financing of Terrorism Governance and Compliance Regulation of 2019.

Applicable Law and Regulation Excerpts

According Article 21 (Responsibilities, Authority, and Functions) the Anti-Money Laundering and Combatting the Financing of Terrorism Act of 2016, the Financial Reporting Center shall “act as the central agency to freeze without delay funds as per applicable laws”. Without delay means immediately; Immediately means as soon as possible following the acknowledgement of receiving the freezing order, but no longer than 24 hours from the time initial knowledge that the incident occurred has been received.

Failure to freeze without delay, could constitute Money Laundering or Terrorism Financing offenses as identified in **Article 2 and 3**, which could result in criminal or civil penalties of complicit natural persons or legal entities identified in **Article 27, 28**, and 29 of the Anti-Money Laundering and Combatting the Financing of Terrorism Act of 2016.

Regulation 7.6 in the Anti-Money Laundering and Combatting the Financing of Terrorism Governance and Compliance Regulation of 2019, identifies the offenses associated with tipping off. “Tipping off (doing or saying anything that might inform someone else that [s]he is under suspicion of money laundering), is a criminal offence under the provisions of the money laundering and terrorism financing law.”

Reporting Entity Obligations

This guideline (“informal warning”) to all reporting entities, serves as a notification that funds shall be frozen without delay once freezing order has been received from the FRC and acknowledged.

Freezing orders shall be hand delivered to reporting entities and will require two signature acknowledgements of receipt from compliance department or management.

Confirmation of account freezing and ALL requested documents as specified shall be sent to the FRC in 24 hours or less of the FRC providing the freezing order.

Failure to do so may result in the administrative, civil, or criminal penalties identified above.

The compliance officer at each reporting entity shall ensure there is appropriate coverage at their institution to receive and respond to requests within the 24-hour response requirement.

Being unavailable or out of the country is not a valid excuse and would constitute a compliance violation.