



**AML/CFT/CPF/TFS
ANNUAL REPORT
MARCH 2021**

Supervisory Inspections⁹

2.20 During the relevant period, we commenced a total of 22 inspections¹⁰.

2.21 In the inspection process, our supervised firms receive a notice of on-site inspection or desk-based review letter and a request to provide pre-inspection material usually within 2-4 weeks, dependent on the size and complexity of the firm. Our supervision staff carry out client file reviews, system walk-throughs and conduct interviews with relevant key staff to test the effectiveness of the firms' AML processes, procedures, and controls. An inspection report is compiled detailing our findings and any remedial action required. Supervision staff monitor firms' remedial action plans to ensure timely implementation. Failings of a clear and serious nature are passed to enforcement.

⁹ In accordance with Regulation 53 E, the annual report should contain: (c) the number of contraventions of the Regulations by persons under the supervision of the Supervisory Authority which the Supervisory Authority has identified; (d) the number of inspections of persons under its supervision for the purposes of the Regulations conducted by the Supervisory Authority...

¹⁰ Includes on-site inspections and desk-based reviews.

2.22 During the relevant period, we issued 9 remedial action plans detailing 81 potential failures to comply with the Regulations and 16 potential breaches were referred to enforcement.