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CENTRAL BANK OF SEYCHELLES

Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020

Directive No.2 of 2025

To all Banks, Bureaux de Change, Housing Finance Company Limited, Development Bank of Seychelles, Seychelles Credit Union, Leasing Companies and Payment Service Providers/Operators

Directive on the Periodic Review of Customer Due Diligence

This directive aims to ensure that customer information held by reporting entities, especially beneficial ownership details, is regularly reviewed and kept up to date. Regular reviews assist reporting entities to better manage risks related to money laundering and terrorist financing. The directive sets out the minimum frequency that reporting entities are required to conduct Customer Due Diligence (CDD) reviews based on the risk level of each customer, in line with the AML/CFT Act, 2020 and related regulations.

Section 35(1) of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 (AML/CFT Act) requires all reporting entities to apply CDD measures in respect of customers, business relationships and transactions, and conduct on-going monitoring of business relationships.

By virtue of section 35(2)(c), CDD measures include where the customer is not the Beneficial owner (BO), identification of the BO in accordance with the determination provided under regulation 3 of the Beneficial Ownership Regulations, 2020 and taking reasonable measures, on a risk-sensitive basis, to verify the identity of the BO, including, in the case of a legal person, partnership or trust. In line with section 35(2)(c) identification and verification of BOs should be made on the basis of the following information;

- i. the identity of the natural person who ultimately has controlling ownership interest;
- ii. the identity of the natural person exercising control through other means;
- iii. the identity of the relevant natural person who holds a senior management position;

Section 46(1) of the AML/CFT Act further instructs reporting entities to conduct ongoing monitoring of a business relationship. Pursuant to section 46(2) of the AML/CFT Act, ongoing monitoring of a business relationship means-

- a) scrutinising transactions undertaken throughout the relationship to ensure that the transactions are consistent with the reporting entity's knowledge of the customer, the business and risk profile and the source of funds of the customer, and
- b) keeping the documents, data or information obtained for the purpose of applying CDD measures up to date.

In consideration of the above, reporting entities must assess the level of risk posed by each customer and take appropriate measures to ensure CDD information and documents, including beneficial ownership information, are reviewed and updated periodically on a risk-sensitive basis.

Pursuant to section 57(2) of the AML/CFT Act, the Central Bank of Seychelles hereby directs all reporting entities to immediately undertake CDD periodic reviews in accordance with the frequencies listed below:

- i. at least once a year (annually) for high-risk customers
- ii. at least once every three years for medium risk customers
- iii. at least once every four years for low-risk customers



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B. Commettant (Mr.)

First Deputy Governor