

SEÐLABANKI ÍSLANDS

Measures against money laundering & terrorist financing - a supervisor's standpoint

Unnur Gunnarsdóttir – Deputy Governor

Central bank's AML/CFT Conference



Main themes to be touched upon

Main themes

- History of AML/CFT in Iceland
- Role of the Central bank
- Risk based approach to AML/CFT measures
- Recent developments
- The road ahead

Let's start at the beginning

History and significance of AML/CFT in Iceland

Awareness for AML/CFT has and will continue to increase

Progression

- Iceland became a member of FATF in 1992
- First comprehensive AML Act in 1993
- Extensive developments have taken place since that time
- Costly measures
- Reputational risk for government and obliged entities
- Important role of the Central bank
- On-going journey

History and significance of AML/CFT in Iceland



Risk-based AML/CFT measures

Central bank's supervisory actions have given insight into compliance

Changes to legislation

- Risk-based approach – considerable change in 2019
- Cultural change with regard to AML/CFT
- Implementation and achieving effectiveness takes time

Thematic inspections

- Inspections 2020-2021
- Best practice report
- Main findings



Latest developments

The field is progressing rapidly

Changing times

- Rapid advancements in the AML/CFT field
- New and emerging technologies
- New ways of conducting financial services
- Targeted financial sanctions
- Increased role of EBA and FATF

The road ahead

Implementation of the Central bank's supervisory strategy 2022-2024

Boards of obliged entities

- Active responsibility
- Knowledge expanded

Thorough inspections

- Deeper inspections based on risk

Supervision of tech solutions

- Assess risk associated with obliged entities tech solutions

Cooperation

- Active participation in international cooperation (FATF & EBA)
- Strengthen further domestic cooperation

Supervisors tech solutions

- Increase use of in-house tech solutions
- Electronic data submittal
- Automate risk assessment process

Guidance

- Targeted instructions
- Increased dialogue

The road ahead

Significant milestones have been reached, however, standards are continuously evolving

Main themes

- Changes to legislation and arrangement of AML/CFT in Europe
- Increased interest and dedication on behalf of senior management is vital
- Senior management is responsible for implementing measures –
Compliance culture
- Serious deficiencies will have consequences
- On-going task to maintain good standing