

REPUBLIC OF VANUATU

BILL FOR THE ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AMENDMENT) ACT NO. OF 2026

Explanatory Note

This Bill amends the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014.

Vanuatu's laws generally reflect FATF standards by criminalising money laundering and terrorist financing and providing for financial reporting, beneficial ownership, asset confiscation and international cooperation. However, gaps remain and full compliance has not yet been achieved. This Bill is required to address those gaps and ensure Vanuatu fully complies with the FATF standards.

The key features of this Bill are to:

- (a) require the annual renewal of a reporting entity's registration; and
- (b) require a reporting entity intending to appoint, elect, engage or nominate a key person to apply to the Director for a fit and proper assessment and an advisory opinion; and
- (c) require a reporting entity to obtain satisfactory evidence of the source of cash; and
- (d) require a reporting entity to take reasonable measures to identify and verify the identity of each beneficial owner; and
- (e) empower the Director to direct a reporting entity to provide all necessary due diligence; and
- (f) ensure the independence of the Unit by providing that the Director and the Unit's staff are not subject to the direction or control of any other person or body in performing the Unit's functions.

Prime Minister



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REPUBLIC OF VANUATU

BILL FOR THE ANTI-MONEY LAUNDERING AND COUNTER- TERRORISM FINANCING (AMENDMENT) ACT NO. OF 2026

An Act to amend the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014.

Be it enacted by the President and Parliament as follows:

1 Amendment

The Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014 is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF THE ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT NO. 13 OF 2014

1 Section 2 (Definition of “person”)

After “unincorporated”, insert “, domestic government agency or foreign government agency”

2 Subparagraph 2(r)(xii)

After “prescribed;” insert “or

(xiii) multi-level marketing;”

3 After section 5

Insert

“5A. Independence of the Financial Intelligence Unit

The Director and staff of the Unit will not be subject to the direction or control of any other person or body in performing the functions of the Unit.”

4 After section 9B

Insert

“9C. Renewal of registration

(1) A reporting entity must annually apply to the Director in the prescribed form to renew its registration.

(2) In applying to renew its registration, a reporting entity must confirm the following:

(a) ownership and beneficial ownership information; and

(b) the directors, managers and key persons; and

- (c) the business activities conducted; and
 - (d) the contact information and registered office; and
 - (e) any other information prescribed by the regulations.
- (3) If a reporting entity fails to renew its registration, the Director must remove the reporting entity from the register.

9D. Fit and proper assessment

- (1) A reporting entity that intends to appoint, elect, engage or nominate a key person must apply to the Director to carry out a fit and proper assessment.
- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed information and documents.
- (3) The Director may, upon receiving an application, conduct such enquiries as are necessary for AML and CFT supervisory purposes and may provide written observations to the reporting entity and, if necessary, to the relevant regulator.
- (4) The Director may, if he or she considers it necessary, require an applicant:
 - (a) to provide additional information or documents; or
 - (b) to clarify facts or circumstances; or
 - (c) to respond to any adverse information; or
 - (d) to make submissions; or
 - (e) to propose risk mitigation measures.

- (5) If a request is made under subsection (4), the applicant must, within 15 working days, comply with the requirements made.
- (6) In preparing observations under subsection (3), the Director must:
 - (a) identify any relevant AML and CFT risk concerns; and
 - (b) identify any deficiencies in information provided; and
 - (c) specify any proposed risk mitigation measures; and
 - (d) provide the reporting entity with an opportunity to respond.
- (7) The Director must, within 30 days of receiving a complete application, complete the fit and proper assessment and must provide a written advisory opinion to the applicant.
- (8) Despite subsection (7), the Director and reporting entity may, if necessary, agree to extend the period for the Director to complete the fit and proper assessment and to provide the written advisory opinion.
- (9) In providing a written advisory opinion, the Director may include any of the following:
 - (a) no objection; or
 - (b) observations requiring further consideration; or
 - (c) identification of material AML and CFT risks; or
 - (d) recommended risk mitigation measures.
- (10) Where a reporting entity is subject to licensing, registration, prudential supervision or approval by another competent authority, the regulator is responsible for deciding whether the key person is fit and proper.
- (11) In making a decision under subsection (10), the regulator must consider:

- (a) the Director's observations; and
 - (b) the reporting entity's response; and
 - (c) any risk mitigation measures proposed by the reporting entity; and
 - (d) obligations under this Act and any other applicable law; and
 - (e) the level and nature of the ML and TF risks presented.
- (12) If the regulator makes a decision contrary to material observations provided by the Director, the regulator must record and provide written reasons identifying:
 - (a) the risk assessment undertaken; and
 - (b) the mitigation measures relied upon; and
 - (c) the legislative basis for the decision; and
 - (d) why the residual risk is considered acceptable.
- (13) A reporting entity must not finalise the appointment of a key person until:
 - (a) the expiry of 30 days after the submission of a complete application; and
 - (b) receipt of the position of the regulator and any observations of the Director.
- (14) If the Director reasonably believes that a final regulatory decision gives rise to significant and unmanaged money laundering or terrorist financing, the Director may, on the advice of the National Coordinating Committee, apply to the Court for appropriate relief under this Act.
- (15) In any proceedings under subsection (14), the Court may consider:

- (a) the risk assessment conducted by the Director; and
 - (b) the regulator's reasons; and
 - (c) the reporting entity's submissions; and
 - (d) any proposed mitigation measures; and
 - (e) the public interest in maintaining an effective AML and CFT framework.
- (16) Nothing in this section is taken as transferring responsibility for employment decisions from a reporting entity to the Director or requiring the Director to approve or reject an appointment.”

5 At the end of section 10

Add

- “(4) The Director is to publish in the Gazette a notice of the suspension or removal of a reporting entity from the register.”

6 After section 13

Insert

“13A. Declaration of source of cash

- (1) A reporting entity must obtain from a customer satisfactory evidence of the source of cash where a transaction is unusually large, complex, high-risk, inconsistent with the customer's known profile, or otherwise gives rise to reasonable grounds for further enquiry.
- (2) If a customer fails to provide satisfactory evidence of the source of cash and the reporting entity has reasonable grounds to suspect money laundering, terrorist financing or other criminal activity, the reporting entity must make a report to the Director under section 20 or 21.

- (3) A reporting entity may delay or decline a transaction where there are reasonable grounds for suspicion and must comply with any lawful direction issued by the Director in relation to that transaction.
- (4) If a reporting entity contravenes subsection (1) or (2), the reporting entity commits an offence punishable upon conviction by:
 - (a) in the case of an individual – a fine not exceeding VT 25 million or a term of imprisonment not exceeding 2 years; or
 - (b) in the case of a body corporate – a fine not exceeding VT 125 million.”

7 Subsection 19(1)

Delete “all transactions”, substitute “all its transactions and the transactions of entities it has acquired”

8 After section 19

Insert

“19A. Identification of beneficial ownership

- (1) For the purposes of section 19, a reporting entity must take reasonable measures to identify and verify the identity of each beneficial owner.
- (2) A beneficial owner may be identified:
 - (a) if the beneficial owner owns or controls the entity, in whole or in part, through direct or indirect ownership or control of shares or voting rights or other membership interests in that entity; or
 - (b) if the beneficial owner exercises control of the entity via other means; or
 - (c) based on the prescribed percentage of shares for the purposes of disclosing the beneficial owner’s name and affiliation; or

- (d) if the person is otherwise prescribed by the Minister as a beneficial owner.
- (3) For the purposes of paragraph (2)(c), the prescribed percentage of shares means an indicator of control and does not limit the identification of any natural person who ultimately owns or exercises ultimate effective control over a legal person or legal arrangement through ownership interests, voting rights, contractual arrangements or other means.”

9 Subsection 31(2)

Repeal the subsection, substitute

- “(2) A reporting entity must submit to the Director, annually or within such period as may be prescribed:
 - (a) its AML and CTF compliance report in the prescribed form; and
 - (b) such other information or declaration as may be prescribed.”

10 After paragraph 33(2)(g)

Insert

- “(ga) to provide for the prescribed format of an audit report of a reporting entity; and”

11 After subsection 33(2A)

Insert

- “(2B) Where a review is carried out under subsection (2A), the reporting entity must submit to the Director, annually or within such period as may be prescribed:
 - (a) an audit report of the review in the prescribed form; and
 - (b) such other information or declaration as may be prescribed.”

12 Subsection 33(3)

Repeal the subsection, substitute

- “(3) A reporting entity must submit to the Director, annually or within such period as may be prescribed:
- (a) its AML and CTF Procedure Manual; and
 - (b) such other information or declaration as may be prescribed.
- (3A) The Director may prescribe minimum competency, independence and reporting requirements applicable to persons conducting the reviews under this section.”

13 After paragraph 35(1)(b)

Insert

- “(ba) provide such other information or declaration as may be prescribed.”

14 Paragraph 45A(f)

After “agency” (wherever occurring), insert “or authority”

15 After section 45B

Insert

“45C. Power of Director to issue direction to a reporting entity

- (1) The Director may, by notice in writing, issue a direction to a reporting entity to provide all necessary due diligence conducted as required under subsections 13A(1) and (2).
- (2) The Director in issuing a notice under subsection (1) may specify in the notice the information required.
- (3) If the Director is not satisfied, on reasonable grounds, with the necessary due diligence provided under subsection (2), the Director may apply for an injunction under sections 50F or 50G.”

16 After section 50K

Insert

“50L. Sitting allowance

The Minister may, by Order, prescribe the sitting allowances for the members, including the Chairperson and members of the working groups of the National Coordinating Committee.”