



# Regulatory Compliance: Our Best Defense

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# Who we are

- Established in **2002** under the GraceKennedy Financial Services Group
- **Three** brands operating in **9** countries in the Caribbean
- Exclusive **master agent** of Western Union International in the region



# Let's start at the beginning

**Prior to September 2001, Compliance was a one-person department**

Since 9/11 a number of U.S. banks began closing accounts of certain client types, deeming them high-risk



GKMS in turn invested heavily via headcount and technology to enhance a robust Compliance program

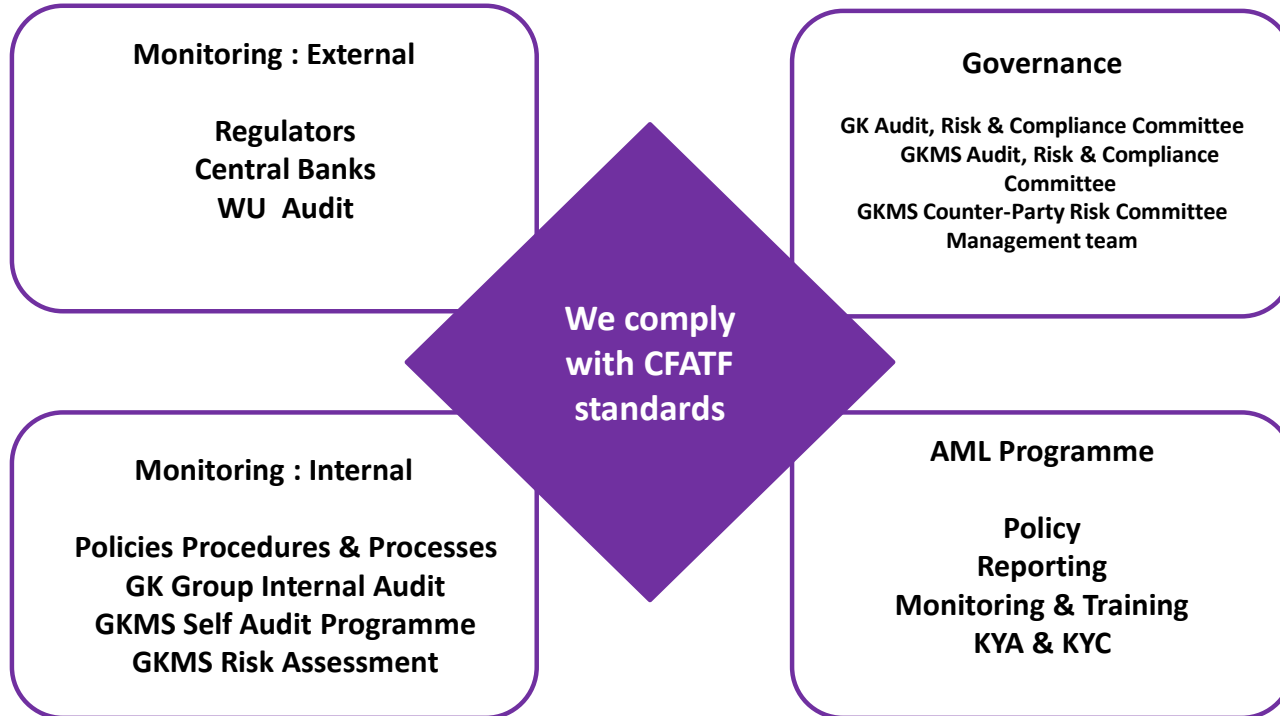
Through the engagement of stakeholders, the cancelling of MTO bank accounts eased until recently ...

# Our compliance model today

- 11-persons employed to Group Risk, Security & Compliance
- Robust transaction monitoring and reporting process
- The company utilizes monitoring software “Caseware Monitor” for its larger markets
  - Caseware identifies high frequency, high value and threshold transactions
- Planned investment in real-time monitoring software
- Actively engaged with Regulators and key stakeholders to stay abreast of industry changes

**COMPLIANCE**

# Our approach to AML compliance



# Strong KYC program equal to banks

- We obtain and record valid identification from EVERY customer irrespective of dollar amount
  - Proprietary software used to electronically store customer Ids
- Enhanced due diligence may be applied
  - Enhanced ID requirements
  - Payout approval requirement at internal thresholds (high risk regions/locations only)
  - Proof of purpose/Source for high value transactions



# Banking poses the biggest challenge

- Today local banks are closing agent accounts
- Foreign banks are restricting or refusing correspondent banking and international settlement service to other institutions that handle MTO accounts

**The Gleaner**  
Jamaica WI  
Established 1834

## Overseas Banks Closing Remittance Company Accounts

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# Our recommendations

1. International agencies & Central Banks should issue more specific guidance on standards of best practice for process, procedures & auditing principles for MTO accounts
2. Banking institutions should consider MTO accounts on a case-by-case basis
3. All affected players must work with regulators to elevate their own compliance standards and be subjected to strict enforcement



# Our regional vision



**A more inclusive financial industry that recognizes the local supervisory mechanisms and relies on effective partnership between all stakeholders.**

# In closing



We embrace regulation and have invested heavily in an effective and scalable program to increase market confidence



International policy makers must reassess guidelines considering the substantial enhancements to our program



All MTOs must be held to the same standard



