



Criminal Justice (Money Laundering and Terrorist Financing) Act 2010



Important information for persons trading who accept cash payments (of €15,000 or more) for goods in the normal course of business

The Act¹ introduced important changes to the law for ²"designated persons" i.e. businesses that accept cash payments for goods in the normal course of business.

This sector is diverse and includes such businesses as antique dealers, boat or car sales businesses and dealers in precious stones and jewellers. For ease of reference the sector is referred to as **the High Value Goods Dealer (HVGd) sector**.

The Act places a number of obligations on "designated persons" (businesses), including **High Value Goods Dealers**, to guard against their businesses being used for money laundering or terrorist financing purposes. It is important to note that the failure of a designated person to comply with the obligations contained in the Act is an offence and a person if convicted is liable to a fine or imprisonment or both.

Generally customers of a High Value Goods Dealer will fall into the following three categories:-

1. **Business Relationship** where there is an expectation of an ongoing commercial relationship (e.g. trade sale between car dealers for cash or fleet sales).
2. **Occasional Customer** with no expectation of ongoing commercial relationship.
3. **"Politically Exposed Person**. Steps must be taken to determine whether a customer or a beneficial owner residing outside the State is a "politically exposed person" or an immediate family member or a close associate of a politically exposed person.

¹ (referred to as "the Act")

² Section 25.—(1) (i) of the Act



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The measures to be applied include the following:

1. Customer Due Diligence (CDD) – Know Your Customer

There is a legal obligation on "designated persons" to apply Customer Due Diligence (CDD) procedures to their customers in specific circumstances and at particular times. This obligation involves the identification and verification of the identity of the customer and beneficial owner and ongoing monitoring of the business relationship.

2. Report suspicions of money laundering or terrorist financing to An Garda Síochána and Revenue Commissioners.

- Section 42 of the Act requires a "designated person", in the course of their business, to report any knowledge or suspicion they have that another person is engaged in money laundering or terrorist financing.

NB: "Tipping Off" Under the Act, designated persons must not disclose to the customer concerned or other third persons that a report has been made in relation to suspicions of money laundering or terrorist financing or that any investigation is being, or may be, carried out in relation to those suspicions if it is likely to prejudice the investigation.

3. Have specific procedures in place to provide for the prevention of money laundering and terrorist financing.

- Such procedures include risk assessment and management, recordkeeping, training, reporting and the monitoring and management of compliance.

The full measures which are to be applied are contained under Chapters 3 to 7 of the Act - further information is available at the address below.

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