Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill 2013
Regulatory Impact Analysis

1. Summary RIA

Summary of Regulatory Impact Analysis (RIA)	
Department/Office: Department of Justice and Equality	**Title of Legislation:** Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill 2013
Stage: Publication of Bill	**Date:** January, 2013
Related Publications: Criminal Justice (Money Laundering and Terrorist Financing) Act 2010	
Available to view or download at: http://www.oireachtas.ie/documents/bills28/acts/2010/a0610.pdf http://www.justice.ie	
Contact for enquiries: Criminal Law Reform Division	**Telephone:** 4768643 4768651
What policy options have been considered? Please summarise the costs, benefits and impacts relating to each of the options below and indicate whether a preferred option has been identified. 1. Do nothing 2. Make legislative changes. **Preferred Option:** Introduce legislation to provide for 2 above.	

OPTION 1

	COSTS	BENEFITS	IMPACTS
1	Amendment of Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010- No identifiable costs.	These amendments will address deficiencies identified by the Financial Action Task Force on Money Laundering (FATF) – the main international anti money laundering organisation in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010.	The Bill addresses the key concerns raised by FATF. Many of them are technical changes to the language of the Act which will have limited effect on the operation of AML measures by banks and other designated persons.
2	Amend Section 24 to provide for changes to the definition of "occasional transaction". Minimal costs to industry.	This brings Irish legislation into line with international recommendations.	Requires identification of customers at thresholds recommended by FATF.
3	Technical amendments to Sections 33, 34, and 36. Minimal costs to industry.	Brings Irish legislation into line with international recommendations.	Clarifies existing legislation in line with FATF recommendations. Minimal impact on industry.
4	Amend Section 37 to make it clear that enhanced due diligence should apply to	Clarifies the existing provision and brings Irish legislation into line with international	Minimal impact on industry.

	customers who become Politically Exposed Persons (PEPs) resident outside the State during the course of a business relationship. No costs.	recommendations	
5	Amend Section 39 to require designated persons to apply enhanced due diligence in high risk situations other than those specified in the 2010 Act. Minimal costs.	Reduces the risk of money laundering and brings Irish legislation into line with international recommendations	Minimal impact on industry.
6	Amend Section 54 to extend the range of issues for which designated persons should have policies and procedures in place. Minimal costs.	Strengthens implementation of the 2010 Act.	Minimal impact on industry.
7	Amend Section 71 to extend the type of directions which can be made by a State competent authority. Minimal costs.	Strengthens implementation of the 2010 Act.	Minimal impact on industry.

Regulatory Impact Analysis

2. Policy Context and Objectives

The main objective of the Bill is to address issues identified by the Financial Action Task Force on Money Laundering (FATF) (the main international anti money laundering organisation), in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. Many of the changes are technical in nature and are expected to have limited effect on the operation of AML measures by banks and other designated persons. Some of the amendments address issues identified from experience of operating the 2010 Act.

3. Identification and Description of Options

The following options were considered:

1. Do nothing.

To do nothing would mean that Ireland would fail to comply with its undertaking to address certain deficiencies which the FATF considers exist in Ireland's anti money laundering regime and would risk damaging Ireland's reputation as a well regulated financial services centre.

2. Make Legislative changes

As many of the matters which have been raised by the FATF are set out in the 2010 Act, there is no alternative to amending that Act if we are to deal with these issues effectively.

4. Analysis of Costs, Benefits and Impacts

There are no identified significant costs with regard to these proposals. The benefits of each individual measure are set out in the above table.

Other Impacts

The Bill addresses the key concerns raised by FATF. Many of them are technical changes to the language of the Act which will have limited effect on the operation of AML measures by banks and other designated persons.

The Bill has no implications for wider social policies, such as social inclusion, general economic development etc.

5. Consultation

Consultations have taken place with the Office of the Attorney General, the Department of Finance and the Central Bank.

The General Scheme of the Bill was published in June 2012 for public consultation. Submissions were received from a number of industry bodies. These have been taken into account in the drafting of the Bill. A number of provisions included in the General Scheme have not been included in the Bill because of the need to enact, as a matter of priority, those provisions which are necessary for compliance with the FATF recommendations.

6. Enforcement and Compliance

It will be a matter for the Garda Síochána, the Courts and State competent authorities to enforce the legislation. The competent authorities designated under the 2010 Act have responsibility for monitoring compliance with the Act.

7. Review

The provisions will be kept under review. It will be necessary for the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 to be comprehensively reviewed over the coming years in the light of the proposals of the 4^{th} Money Laundering Directive which is due to be published by the Commission in early 2013; the new Directive will take account of the revised FATF 40 Recommendations published in February, 2012.

8. Publication

The Regulatory Impact Analysis will be published on the Department's website.