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PRESS RELEASE

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Bermuda Monetary Authority Levies Civil Penalties on Conyers Corporate Services Limited

HAMILTON, BERMUDA – The Bermuda Monetary Authority (**Authority**) has levied civil penalties totalling \$981,000 on Conyers Corporate Services (Bermuda) Limited (**Company**), a local entity licenced under the Corporate Service Provider Business Act 2012 (**CSPB Act**).

The civil penalties have been levied on the Company for historic failures to adequately comply with the CSPB Act and the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (**Regulations**).

The Company is licenced to conduct Corporate Service Provider business by the Authority. Following on-site inspections conducted in August 2018 (AML/ATF and Prudential), the Authority identified a number of deficiencies relating to the Company's AML/ATF program and the Company's obligations under the CSPB Act and the Regulations.

The Company did not adequately comply with the following requirements of the Regulations, namely: Customer Due Diligence; Ongoing Monitoring / Periodic Review; Enhanced Due Diligence; Systems; Training; and Compliance Officer. With respect to the CSPB Act and specifically the Minimum Criteria for Licensing, failings were identified with respect to the following requirements: Corporate Governance Policy; Business to be Conducted in a Prudent Manner; and Notification of Change of Controller.

The Authority required all of these deficiencies to be rectified by December 2019; whilst the Company made considerable progress in concluding its remediation in that timeframe, the Authority noted a number of deficiencies were not remediated to its satisfaction by December 2019. Despite this delay, the Company has complied with the Authority's directions in timely manner throughout the entire remediation process.

This matter highlights the importance of licensees having up-to-date AML/ATF policies and procedures in place which are appropriate, effective, and fully implemented in order to avoid the risk of financial products or legal structures being used as a vehicle for money laundering or terrorist financing.

The Authority has taken the nature of the historical breaches into consideration in determining the appropriate level of the civil penalties. In addition, the Authority took account of the following factors:

- (1) The size and quality of the Company's book of business.
- (2) There has been no financial benefit to the Company from the historic deficiencies.
- (3) The Company's full cooperation with the Authority throughout.
- (4) The Company's continuing commitment to remediation and continued statutory compliance.
- (5) The Company's offer to regularly update the Authority in relation to its continuing compliance program.
- (6) The significant cost incurred by the Company in revising its AML/ATF program and implementing new controls during the remediation phase to ensure statutory compliance.

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