



Virtual assets and tokenisation - arm yourself for 2024

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It is imperative that your firm put measures in place to defend against money laundering, terrorism financing and proliferation financing if your goals for 2024 include getting more involved in virtual assets and tokenisation.

Virtual assets anti-money laundering (AML) controls, open-source intelligence (OSINT) and the Financial Action Task Force's (FATF) Recommendation 16 (the Travel Rule) are all interconnected in the fight against AML, combating the financing of terrorism (CFT) and combating proliferation financing (CPF).

FATF has published guidance on Enhanced Due Diligence (EDD) measures that can be taken to mitigate against the potential higher risks associated with virtual assets, but these measures can also be taken by non-virtual asset related entities as they will strengthen their existing EDD systems and controls.

FATF state in their guidance that the following measures should be considered:

- Corroborate the identity information received from customers, such as a national identity number, with information in third-party databases or other reliable sources
- Potentially trace the customer's IP address
- Use analysis products, such as blockchain analytics software
- Search the internet for corroborating activity information consistent with the customer's transaction profile, provided that the data collection is in line with national privacy legislation

In a recent Trusts Advisory Group seminar hosted by Ogier Regulatory Consulting, Senior Regulatory Consultant and virtual assets expert Andy Carpenter provided guidance on how to implement the above FATF measures. He explained what firms needed to consider in the context of Virtual assets, in order to protect themselves against their facilitating Money Laundering, Terrorism Financing

and Proliferation Financing.

If you believe you and your firm could benefit from having your current EDD systems and controls reviewed and updated, especially if you are increasing your exposure to virtual assets, Ogier Regulatory Consulting can provide advice, guidance and support to achieve that. We work with firms to put in place innovative and effective systems and controls that minimise the risk of firms inadvertently being exploited by nefarious actors and organisations.

If you want to reach out to discuss how this may apply to your business in any of the jurisdictions that Ogier advises on, feel free to [contact Andy](#) for an introductory chat. You can also learn more about our services in our At A Glance Guide below.

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