

REGULATORY INTELLIGENCE

COUNTRY UPDATE-Gibraltar: AML

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Gibraltar is a self-governing and self-financing British Overseas Territory. While the UK retains responsibility for defence and foreign affairs, Gibraltar exercises full self-governance over internal matters under its 2006 Constitution.

Following the EU referendum, Gibraltar left the EU alongside the UK on January 31, 2020. Gibraltar and the UK then entered a "Transition Period" under the terms of the EU-UK Withdrawal Agreement, which concluded on December 31, 2020.

Since January 1, 2021, the current position in Gibraltar with respect to EU Law is as follows:

- EU-derived Gibraltar legislation, as it had effect on Gibraltar law immediately before midnight on December 31, 2020, continues to have effect on domestic law on and after December 31, 2020;
- Direct EU legislation, so far as operative immediately before December 31, 2020, forms part of Gibraltar law on or after December 31, 2020;
- Any rights, powers, liabilities, obligations, restrictions, remedies and procedures which, immediately before December 31, 2020 are recognised and available in Gibraltar law and are enforced, allowed and followed accordingly, continue on and after December 31, 2020 to be recognised and available in Gibraltar law (and to be enforced, allowed and followed accordingly); and
- A court or tribunal in Gibraltar is not bound by any principles laid down or any decision made by and cannot refer any matter to, the European Court on or after December 31, 2020. A Gibraltar court remains bound by retained EU case law to the extent that there is post-transition case law modifying or applying that retained EU law, provided it is binding on the court.

An in-principal agreement on the core elements of a future UK-EU treaty governing Gibraltar's post Brexit relationship was reached in Brussels in June 2025 by the UK, the EU, Spain and Gibraltar. The full legal text of the treaty was subsequently finalised in December 2025. The treaty text has since been approved by the Gibraltar Cabinet and is due to be debated in the Gibraltar Parliament before progressing to the UK and EU ratification processes, but it has not yet to date been enforced.

Background and overview of risk rating

In December 2019, the Fifth Round Mutual Evaluation Report (MER) was undertaken, analysing Gibraltar's level of compliance with the FATF 40 Recommendations and the level of effectiveness of Gibraltar's AML/CFT system, providing recommendations on how the system could be strengthened. According to the evaluation, Gibraltar was deemed compliant and largely compliant with the FATF 40 Recommendations.

FATF then issued a follow-up report in November 2021 setting out the progress that Gibraltar had made in improving its level of compliance with the FATF standards, since the 2019 MER. The report also looked at Gibraltar's implementation of new international requirements for virtual asset service providers established in the revised FATF Recommendation 15 and re-rated Gibraltar from compliant to largely compliant on this Recommendation. Gibraltar is now "compliant" with 23 of the 40 FATF Recommendations, "largely compliant" with 16 Recommendations and "partially compliant" with one Recommendation. Gibraltar has no "non-compliant" ratings.

However, on June 17, 2022, Gibraltar moved from FATF's "ordinary status" list to the list of jurisdictions that required "increased monitoring".

Following the adoption of a Delegated Regulation amending Regulation 2016/1675, on February 23, 2024 it was confirmed that the FATF had removed Gibraltar, along with other jurisdictions, from its Grey List of countries subject to increased scrutiny. This decision came in light of the effective implementation of action plans that Gibraltar had agreed upon with the FATF.



This decision was taken following the Moneyval [2nd Enhanced Follow up Report & Technical Compliance Re-Rating](#) which took place in May 2024. In this report, it was established that Gibraltar had successfully implemented all 40 Recommendations at the level of "largely compliant"/"Compliant". At this point, Moneyval terminated further follow-up reporting under the 5th round.

As a result of Gibraltar's substantial steps in enhancing its anti-money laundering ("AML") and counter-terrorist financing ("CFT") frameworks, the European Commission concluded that Gibraltar now meets the necessary standards and does not present significant risks to the EU's financial system.

The impact of this update goes beyond mere compliance — Gibraltar's removal from the Grey List reinforces its reputation as a reliable financial jurisdiction. This achievement is expected to strengthen investor trust and attract businesses looking for a stable and compliant financial environment.

There are no international sanctions currently in force against Gibraltar.

Key directives and legislative framework

- The 5th anti-money laundering Directive ([Directive 2018/843/EU](#)) (5AMLD);
- The [Proceeds of Crime Act 2015](#) (POCA) as amended;
- The Proceeds of Crime Act 2015 (Relevant Financial Business) (Registration) Regulations 2021 (RFB Registration Regulations);
- The Proceeds of Crime Act 2015 (Transfer of Virtual Assets) Regulations 2021;
- The Counter Terrorism Act 2010;
- The Terrorism Act 2018; and
- The Crimes Act 2011.

On March 13, 2020, Gibraltar transposed the [5AMLD](#) which amended the 4th anti-money laundering Directive. In order to transpose the 5AMLD, Gibraltar made amendments to legislation through the Proceeds of Crime Act 2015 (Amendment) Regulations 2020 (5AMLDRegs).

The 5AMLDRegs amended the following pieces of legislation:

- POCA;
- Register of Ultimate Beneficial Owners Regulations 2017;
- National Coordinator for Anti-Money Laundering and Combatting Terrorist Financing Regulations 2016;
- Supervisory Bodies (Powers etc.) Regulations 2017; and
- Terrorism Act 2018.

The 6th anti-money laundering Directive ([Directive 2018/1673/EU](#)) (6AMLD)

The 6th anti-money laundering Directive ([Directive 2018/1673/EU](#)) (6AMLD), which amended the 5AMLD, came into effect for EU member states on December 3, 2020 and must have been implemented by financial institutions by June 3, 2021. The 6AMLD establishes the definition of criminal offences and sanctions in the area of money laundering.

It is our understanding that the UK Government decided against the direct implementation of 6AMLD, reasoning that existing UK legislation largely met 6AMLD standards, and in several areas, the UK's laws were already more stringent than the directive's requirements.

Similarly, we find that Gibraltar's current POCA legislation aligns closely with 6AMLD provisions. A non-exhaustive overview follows below:

- Prosecution in Gibraltar is not hindered by the fact that criminal conduct occurred outside of Gibraltar.
- Gibraltar has the power to prosecute and investigate external offences.
- Gibraltar's legislation on what constitutes money laundering offences is virtually the same as that of the 6AMLD.
- The legal punishment for money laundering offences in Gibraltar goes beyond that required by the 6AMLD.
- The following offences are expressly referred to: terrorism; illicit trafficking in stolen and other goods; tax crimes relating to direct; indirect taxes; and insider trading and market manipulation.
- Relevant financial businesses must take appropriate steps to identify and assess the risks of money laundering taking into account developing technology.

In addition, the Proceeds of Crime (Miscellaneous Amendment) Act 2021 came into force on February 9, 2021 and amended a number of pieces of Gibraltar legislation, most prominently POCA. The key changes are:

1. the clarification of the definition of "beneficial owner";
2. a new definition for "Listed Entity";
3. the list of "relevant financial businesses" (RFB) has been expanded to include a redefinition of the Art Market Participant and Art Freeport Operators;
4. the customer due diligence (CDD) measures that RFBs must apply to clarify what the legal and regulatory requirements are;
5. RFBs continue to be required to review their existing CDD documentation on a risk-based approach but an amendment also requires "materiality" to be taken into consideration;
6. RFBs are now permitted to stop conducting CDD if doing so would risk tipping off the customer;



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- 7. the requirements for "ongoing monitoring" of a customer's transactions have been expanded;
- 8. when RFBs conduct their own risk assessment they must take into account the risks identified in the National Risk Assessment;
- 9. the automatic treatment as low risk that was afforded previously to EEA states or institutions based in the EU has been removed;
- 10. RFBs must make a determination as to whether a customer or its beneficial owner is a PEP;
- 11. RFBs should establish the source of funds/wealth involved in a business relationship even for new customers and for those who have already been on-boarded;
- 12. where an RFB relies on a third party for CDD information, the RFB must now positively confirm that the person is regulated; and
- 13. the policies and procedures RFBs are required to establish and maintain must be proportionate to the nature and size of the RFB.

Further amendments to the POCA have been implemented to date. The information included below is not exhaustive and is intended to be provided as a summary of the key changes:

Proceeds of Crime Act 2015 (Amendment No.2) Regulations 2021

These Regulations amend sections 9(1)(q) and 9(1A) of the Proceeds of Crime Act 2015 for the purposes of implementing, in part, Recommendation 15 of the Financial Action Task Force's (FATF) Recommendations on the International Standards on combating money laundering and the financing of terrorism and proliferation, adopted by the Financial Action Task Force plenary in February 2012, as amended.

Proceeds of Crime (EU Exit) (Amendment) Regulations 2022

These Regulations are made in exercise of the powers in section 11 and Schedule 3 the European Union (Withdrawal) Act 2019 in order to address failures of retained EU Law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.

Proceeds of Crime (Supervisory Authority) (Amendment) Order 2023

This Order amends the list of supervisory authorities set out in Part 1 of Schedule 2 to the Proceeds of Crime Act 2015. In this amendment the "Registrar of the Supreme Court" was removed and replaced with the "Legal Services Regulatory Authority".

Proceeds of Crime (Miscellaneous Amendments) Act 2023

This amendment in summary:

- Gives powers to the Head of the GFIU to designate at least one contact person to receive requests from other FIUs, and in the absence of a designation the Head shall be the contact person; and
- Includes section 41 "Voluntary Disclosure of Information" — "A person may disclose information to the GFIU if the disclosure is made for the purposes of the exercise of the GFIU function".

Proceeds of Crime Act 2015 (Amendment) Regulations 2023

These regulations amend the Proceeds of Crime Act 2015, in order to require relevant financial businesses to conduct international sanctions screening as part of their customer due diligence obligations. They also make minor amendments to the Act relating to the establishment of the Gibraltar Recovered Asset Fund.

Proceeds of Crime Act 2015 (Amendment No.2) Regulations 2023

These regulations amend the Proceeds of Crime Act 2015, in order to clarify the submission of an application under the Qualifying (Category 2) Individual rules 2004 as a relevant financial business.

Limitation Periods (Amendment) Act 2024

The Limitation act is amended in order to provisions relating to:

- Actions for recovery of property obtained through unlawful conduct etc.
- Actions for recovery of property for the purposes of an external order; and
- Transitional periods.

Proceeds of Crime Act 2015 (Amendment) regulations 2024

These regulations are made for the purposes of implementing, in part, some of the obligations of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime signed in Strasbourg on the 9th of November 1990, and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime signed on the 16th of May 2005 in Warsaw. The regulations permit for a request for assistance to be sent to Strasbourg states and Warsaw states from Gibraltar.

Proceeds of Crime (Amendment) Act 2024

The Gibraltar Proceeds of Crime (Amendment) Act 2024 introduces Unexplained Wealth Orders (UWOs) into Gibraltar law, allowing the Supreme Court to require individuals to explain how they acquired property worth over £50,000 where their known lawful income appears insufficient. The orders apply to politically exposed persons or those suspected of involvement in serious crime. Failure to comply creates a presumption that the property is recoverable, and making false statements in response is a criminal offence punishable by up to two years' imprisonment.



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The Act also introduces interim freezing orders to prevent dissipation of assets while proceedings are ongoing, with provisions for exclusions (e.g., living expenses and legal costs) and the appointment of receivers to manage frozen property. There are mechanisms for compensation where orders are discharged due to serious default by enforcement authorities, and provisions enabling international cooperation where assets are located abroad.

A new Schedule 10 lists serious offences relevant to UWOs, including drug trafficking, money laundering, fraud, bribery, terrorism, and sanctions breaches. The Minister may issue a code of practice and make regulations adjusting the monetary threshold.

Sanctions Act (Amendment) Act 2024

The Sanctions (Amendment) Act 2024 is Gibraltar legislation enacted on 23 December 2024 that amends the Sanctions Act 2019 to impose obligations on persons engaged in relevant financial business to implement sanctions screening measures. Under the Act, such businesses must maintain appropriate policies, controls, and procedures to ensure they are aware of lists of persons subject to international sanctions, conduct appropriate checks against those lists for both new and existing customers, and take appropriate action including disclosing suspicious transactions to the Gibraltar Financial Intelligence Unit (GFIU) or freezing relevant assets. Failure to comply constitutes a criminal offence, and the supervisory authorities under Part 3 of the Proceeds of Crime Act 2015 are empowered to supervise and enforce compliance with these obligations. The Act also makes consequential amendments to the Proceeds of Crime Act 2015 to align cross-references with the new sanctions screening provisions.

Financial Services (Regulated Activities (Amendment) Regulations 2025

These regulations amend the Financial Services Act 2019 and the Financial Services (Distributed Ledger Technology Provisions) Regulations 2020 and make consequential amendments to the Proceeds of Crime Act 2015 and the Proceeds of Crime Act 2015 (Relevant Financial Businesses) (Registration) Regulations 2021.

These regulations make the provisions of virtual asset arrangements a regulated activity under the Financial Services Act 2019 and provide transitional arrangements for virtual asset arrangement providers register under the 2021 Regulations.

Terrorism Act 2018

The [Terrorism Act 2018](#) was also amended to include the offence of Proliferation Financing, in which a person must not engage in conduct specified: collecting, providing or managing an asset; providing advice relating to collecting, providing or managing an asset; providing a financial service; conducting a financial transaction (a person conducts a financial transaction if the person is a party to the transaction or procures or facilitates the transaction; and a transaction can be made by any means, including electronic or physical transfer of an asset) for the manufacture, production, acquisition, stockpiling, storage, development, transportation, sale, supply, transfer, export, transshipment or use of nuclear, chemical or biological weapons or materials related to nuclear, chemical or biological weapons or any such other items or materials as may prescribed by the Minister by notice in the Gazette; or the provision of technical training, advice, services, brokering or assistance relating to collecting, providing or managing an asset; providing advice related to the relating to collecting, providing or managing an asset; providing a financial service; or conducting a financial transaction.

Furthermore, POCA now includes in its definition of "Relevant Financial Business":

Under section 9(1) of the Act, "relevant financial business" means the business of engaging in one or more of the following businesses or activities: issuing electronic money or accepting deposits; business of the Savings Bank; any home regulated activity carried on by a European institution; financial instruments business falling within Chapter 2 or Chapter 3 of Part 6 of Schedule 2 to the Financial Services Act 2019; activities in paragraphs 1 to 12 or 14 of the Schedule to the Financial Services (Credit Institutions and Capital Requirements) Regulations 2020; life insurance activities covered by the Financial Services (Insurance Companies) Regulations 2020; auditors, insolvency practitioners, external accountants and tax advisors; estate agents and letting agents; art market participants; art storage freeport operators; notaries and other independent legal professionals when participating in specified transactional or advisory activities; various regulated activities under Schedule 2 to the Financial Services Act 2019 including payment services, insurance management, life insurance distribution, pension schemes, mortgage credit, company management, professional trustees and foundation councillors, bureaux de change, and distributed ledger technology or virtual asset arrangements; dealers in high value goods where cash payments of €10,000 or more are made or received; gambling services; collective investment schemes; undertakings receiving proceeds from the sale of tokenised digital assets; and submitting an application under the Qualifying (Category 2) Individual Rules 2004.

Additionally, "virtual asset" is also a defined term under POCA.

Who are the regulators/monitoring authorities?

The following are supervisory bodies for the purposes of preventing the use of the financial system for purposes of money laundering, terrorist financing and proliferation financing under POCA:

- a) the Gibraltar Financial Services Commission (GFSC);
- b) the Financial Services Commissioner;
- c) the Commissioner of Banking and the Banking Supervisor;
- d) the Commissioner of Insurance and the Insurance Supervisor;



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- e) the Financial Secretary or such other person or entity as may from time to time be designated by the Minister for Finance by notice in the Gazette in respect of relevant financial businesses to which section 9(1) applies and which are not supervised by a body listed in paragraphs (a) to (d) and (f) to (h) within POCA;
- f) the Gambling Commissioner;
- g) the Office of Fair Trading;
- h) HM Customs; and
- i) the Legal Services Regulatory Authority.

Although not included in the legislation as a supervisory authority for the purposes of preventing the use of the financial system for purposes of money laundering, terrorist financing and proliferation financing under POCA, the Gibraltar Financial Intelligence Unit (GFIU) functions in accordance with the FATF Recommendations and Standards and is evaluated by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL).

The GFIU was established in January 1996 and is the central authority responsible for the receipt, analysis, and dissemination of Suspicious Activity Reports (SARs) or Suspicious Transaction Reports (STRs). Its work is carried out under several legislative frameworks including, the:

- Proceeds of Crime Act 2015;
- Terrorism Act 2018; and
- Sanctions Act 2019.

The GFIU maintains a secure database of all disclosures received, along with any financial intelligence developed through related enquiries. These disclosures are disseminated to the appropriate law enforcement agency such as HM Customs Gibraltar, the Royal Gibraltar Police or other relevant regulatory bodies for further action.

The GFIU's main functions are:

- to gather, store, analyse and disseminate intelligence related to criminal conduct, (including, but not limited to, money laundering, the financing of terrorism and the proliferation of weapons of mass destruction), transacted or attempted to be transacted through relevant financial businesses;
- to act as the recipient for disclosures of suspicious transactions under the relevant applicable legislation;
- to exchange information regarding criminal conduct with Financial Intelligence Units (FIUs) and other similar bodies and law enforcement agencies within and outside of Gibraltar;
- to consent or deny consent to suspicious transactions of which it has been notified in accordance with POCA;
- participation in the drafting and publication of the National Risk Assessment ("NRA"). The GFIU's strategic analysis plays a crucial role in the drafting of the NRA, providing insights into the latest typologies, emerging risks, threats, and identified vulnerabilities. This analysis helps ensure that the NRA is based on up-to-date intelligence, enabling a targeted and effective approach to mitigating economic crime risks in Gibraltar;
- the Financial Liaison and Intelligence Network ("FLINT") is a public-private partnership led by the GFIU. It brings together key public sector agencies, including the Royal Gibraltar Police, HM Customs, the Tax Office, and the Gibraltar Financial Services Commission, alongside a number of leading banks operating in Gibraltar;
- Project Nexus is a GFIU initiative to conduct outreach and engagement with reporting entities that are required by law to submit Suspicious Activity Reports (SARs). GFIU has sought the support from key partners and other stakeholders to ensure that the role of financial intelligence and the contribution it makes is clearly understood in protecting Gibraltar's finance centre from Money Laundering, Terrorist Financing and Proliferation Financing risks; and
- The e-Nexus Series, forms part of the Project Nexus initiative, which entails of an online program designed to provide training sessions and workshops that will enhance awareness on the latest legislative changes, international dynamic financial obligations, and the evolving methods used by criminals and terrorists to launder money.

Legal requirements for KYC

Customer due diligence (CDD) measures include identifying the customer and all beneficial owners, understanding the ownership and control structure of the customer, understanding and obtaining information on the purpose and intended nature of the business relationship or occasional transaction and taking a risk-based approach to the verification of the identity of the customer and all beneficial owners on the basis of documents, data or information obtained from a reliable and independent source.

Under Section 11 of POCA, a regulated entity is required to perform customer due diligence before initiating a business relationship or carrying out an occasional transaction. These measures apply to the party involved in the relationship or transaction—the customer—as well as to any beneficial owner(s) of the customer.

A regulated entity should also consider whether additional parties may form part of the relationship or transaction, particularly in cases where:

- An individual acts or appears to act on behalf of the customer/beneficial owner (such as a guardian, authorised signatory, holder of a power of attorney, or directors/senior managers acting for a legal entity); or



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- Any other individual represents the customer/beneficial owner

Through the 5MLDRegs, the application of CDD measures was extended to include new forms of electronic identification measures.

Under regulation 6(1) of the Register of Ultimate Beneficial Owners, Nominators and Appointors Regulations 2017 (the UBO Register Regulations), all corporate or legal entities incorporated in Gibraltar must obtain and hold adequate, accurate and current information on the beneficial ownership of that corporate or legal entity, including the details of the beneficial interests held. The identified beneficial owner must then be registered by submitting its information to the Registrar of Ultimate Beneficial Owners.

POCA requires a relevant financial business to identify the beneficial owner of a customer and take a risk-based approach to the verification of the identity of all beneficial owners so that the relevant financial business is satisfied that it knows who the beneficial owner is. In the case where the beneficial owner, for example, is a corporate or legal entity, the relevant financial business would need to at least obtain the following information on the corporate or legal entity:

- (a) its name, legal form and proof of existence;
- (b) the powers that regulate and bind the corporate or legal entity;
- (c) the names of the relevant persons having a senior management position in the corporate or legal entity; and
- (d) the address of its registered office and, if different, its principal place of business. Additionally, a relevant financial business must keep records of the actions taken as well as any difficulties encountered during the verification process.

A relevant financial business must keep as records, for at least a period of 5 years, a copy of the documents and information which are necessary, and the evidence of, a customer's identity obtained pursuant to the application of customer due diligence measures, including, the ongoing monitoring, the timing of verification, simplified and enhanced CDD, and the application of CDD measures for casinos, non face-to-face, correspondence banking and politically exposed persons.

After initially onboarding a new business relationship, a regulated entity must continuously assess whether any further identification or verification measures are needed. If a customer's circumstances change, the entity may need to implement additional due diligence steps in response to any heightened risk. The frequency of ongoing reviews, including the adequacy of identification and verification measures applied to date, should align with the customer's risk profile.

Internal procedures and training

Under POCA, a relevant financial business must establish, maintain and monitor the implementation of appropriate and risk-sensitive policies, controls and procedures, proportionate to its nature and size, relating to customer due diligence measures and ongoing monitoring, reporting, recordkeeping, internal control, risk assessment and management, compliance management, (including the allocation of overall responsibility for the establishment and maintenance of effective systems of control to a compliance officer at management level (being a director, senior manager, or partner) and employee screening.

A relevant financial business must undertake an independent audit function for the purposes of testing the policies, controls and procedures, and such function shall have regard to the size and nature of the business.

A relevant financial business must take appropriate measures, having regard to the risks, the nature of the business and its size, so that its employees are made aware of the law relating to money laundering, terrorist financing and proliferation financing, as well as relevant data protection requirements. Employees must also be given regular training in how to recognise and deal with transactions and other activities which may be related to money laundering, terrorist financing and proliferation financing.

It is incumbent upon each regulated entity to determine the suitable frequency and type of ongoing staff training, taking into account factors like the entity's size, employee numbers, the requirements of its offered products/services, and the associated ML, TF, and PF risks. Staff must be kept informed of the latest developments in AML/CFT/CPF and provided with specific, targeted training as needed. With frequent changes in risk and regulatory trends, annual training is generally advisable, particularly for staff involved in compliance roles.

The GFUI provides support in training, by ensuring that relevant financial businesses have access to up-to-date information on the practices of money launders and financiers of terrorism, on the practices of proliferation financing and on indications leading to the recognition of suspicious transactions. The ultimate responsibility of implementing training regularly is on the relevant financial business.

Reporting requirements/obligations

There is a statutory obligation on a firm to establish internal reporting procedures for the purposes of receiving disclosures about knowledge or suspicions of money laundering, terrorist financing or proliferation financing that may be taking place regarding activities related to the firm.

Further, there is a statutory obligation on all employees of a firm to report suspicions of money laundering, terrorist financing or proliferation financing to an "appropriate person" within the firm, usually referred to as the "money laundering reporting officer" (MLRO) in accordance with internal procedures. Once employees have reported their suspicions to the MLRO, they fully satisfy their statutory



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obligations. A regulated entity must ensure that its staff members are informed of their obligations regarding the tipping-off provisions outlined in section 5(1) of POCA.

Reports of suspected or known money laundering, terrorist financing or proliferation financing must then be promptly reported to the GFIU who will receive, analyse and disseminate financial intelligence gathered from suspicious activity reports (SARs).

The supervisory authorities in Gibraltar must establish effective and reliable mechanisms to encourage the reporting of potential or actual breaches of POCA and its subsidiary legislation, including protection for individuals working at relevant financial businesses who make disclosures internally, to the relevant supervisory authority or the GFIU. The supervisory authority must ensure that such individuals are allowed to present a complaint in a safe manner, are not exposed to threats, retaliatory or hostile action by other employees, management or customers and are now also protected from discriminatory employment actions.

Business risk assessment

As required by POCA, a regulated entity must take appropriate measures to identify the ML, TF, and PF risks associated with its business activities. The relevant financial business in conducting a business risk assessment must take into account risk factors including those relating to their customers, countries or geographic areas, products, services, transactions or delivery channels, delivery mechanisms and developing technologies (for both new and existing products and business practices) prior to the launch of these, delivery mechanisms and developing technologies (for both new and existing products) prior to the launch of these, and the most recent information that is made available by the National Coordinator.

The role of the National Co-ordinator (NCO) for AML/CFT and CPF was established in 2016 in order to provide a National Risk Assessment for the Jurisdiction as well as to coordinate strategy, policy and framework. The NCO is established under the National Coordinator for Anti Money Laundering and Combatting Terrorist Financing Regulations 2016 ("NCOR") and is appointed by the Minister with responsibility for Financial Services.

This business risk assessment should serve as the foundation for the entity's AML/CFT/CPF policies, procedures, methodologies, controls, and standards, integrating into the entity's broader risk management framework.

A regulated entity must also be able to show that its assessment of ML/TF/PF risks is properly documented and readily accessible. This ensures that the information is available to relevant authorities (such as the GFSC) upon request and that key staff members are fully informed of the ML/TF/PF risks faced by the business.

Responsibility of key individuals

POCA requires regulated entities to designate a director, senior manager, or partner who will have overall responsibility for compliance with POCA and the GFSC's associated "Guidance Notes".

Section 34 of POCA addresses offences committed by corporate bodies, partnerships, and unincorporated associations. If a regulated entity commits an offence, responsibility may fall on its directors, managers, company secretaries, or other officers, members, or partners, where the offence can be attributed to their negligence.

The director, senior manager, or partner with compliance responsibility must be designated as the "appropriate person" and must inform the GFSC of their appointment. This person holds ultimate accountability for ensuring the regulated entity adheres to the legislative requirements.

All policies, controls and procedures must not be implemented without the prior approval of senior management.

Offences

The primary offences under POCA are:

- Arrangements - a person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquisition, use and possession - a person commits an offence if he acquires criminal property, uses criminal property and/or has possession of criminal property.
- Concealing, transferring etc. proceeds of criminal conduct - a person commits an offence if he conceals criminal property, disguises criminal property, converts criminal property, transfers criminal property and/or removes criminal property from Gibraltar.

Other related offences are:

Tipping-off — a person is guilty of this offence if:

- he discloses that a disclosure has been made to a police officer, customs officer, an appropriate person or the GFIU; or
- he discloses that an investigation into allegations that an offence has been committed is being contemplated or is being carried out; and
- the information on which the disclosure is based came to him in the course of conducting a relevant financial business.

(The Tipping Off offence does not apply to persons who do not conduct a relevant financial business.)

Failure to disclose — where a person undertakes relevant financial business and that person:



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- knows, suspects or has reasonable grounds to suspect that another person is engaged in money laundering, or is attempting to launder money;
 - the information or other matter, on which that knowledge or suspicion is based came to his attention in the course of his trade, profession, business or employment or during the application of customer due diligence measures; and
 - he does not disclose the information or other matter to the GFIU as soon as is reasonably practicable after it comes to his attention;
- that person will be guilty of an offence.

The POCA supervisory authorities have their own legislation which establishes them and governs their daily operations. However, in terms of AML/CFT and CPF, all of the supervisory bodies also have specific governing legislation which not only governs how they conduct their regulatory functions of these but also gives them uniform powers to take enforcement actions under the Supervisory Bodies (Powers etc.) Regulations 2017 ("SUPR"). These regulations are subsidiary regulations under POCA. The powers granted to the SUPR are to be construed as supplementary to those that they already possess under their own acts.

These enforcement powers may range from the imposition of financial penalties in certain circumstances to the imposition of conditions, directions or disciplinary measures including suspensions or revocation of licences, naming and shaming powers, and temporary bans from managerial positions.

Sanctions

Sanctions are legal restrictions imposed by the United Nations (UN), EU, UK and/or Gibraltar against states, individuals, entities, organisations and financial institutions in appropriate cases to achieve specific policy or security objectives.

The UN imposes financial sanctions and requires member states to implement these sanctions through Resolutions passed by the UN Security Council.

The EU implements all financial sanctions imposed by the UN through EU Regulations which in turn have a direct effect on all EU member states. The EU can also impose its own financial sanctions.

Although Gibraltar is no longer part of the EU, it can continue to implement any international standards in respect of financial sanctions through Gibraltar's Sanctions Act 2019 which provides for the automatic recognition and enforcement of international sanctions (i.e., UN sanctions, EU sanctions and UK sanctions) in Gibraltar. Gibraltar can also, in some circumstances, impose its own financial sanctions and restrictions by virtue of the Sanctions Act 2019 and the Terrorist-Asset Freezing Regulations 2011.

The Sanctions Act 2019 provides for a regime to implement both international and domestic sanctions in Gibraltar. These sanctions include financial sanctions, immigration sanctions, trade sanctions, aircraft sanctions and shipping sanctions.

The Act creates two separate regimes. The first contained in Part 2, provides for automatic recognition and enforcement of international sanction regimes in Gibraltar without the need for further implementing legislation. These include restrictive measures imposed by the UN Security Council and designations made in the UK under its anti-terrorism legislation.

The second regime, in Part 3, is for domestic sanctions that may be imposed by regulations for a number of different purposes including the prevention of terrorism, the financing of terrorism, the proliferation of weapons of mass destruction etc.

Recent updates

In October 2024, the Gibraltar Parliament passed an amendment to POCA, establishing the framework for the use in Gibraltar of Unexplained Wealth Orders ("UWO"). The amendment introduces in Gibraltar a new and additional UWO capability for law enforcement authorities which is based on the UK's own UWO framework.

In Gibraltar, a variety of enforcement bodies, including the Royal Gibraltar Police, HM Customs, the Attorney General, and other individuals designated by the Minister of Justice, are authorised to apply for UWOs.

This broad eligibility allows key agencies enforcing financial laws to use UWOs to promote greater transparency and accountability.

A UWO in respect of property can only be issued by the Supreme Court of Gibraltar if any of the following conditions are met:

(1) If the Supreme Court of Gibraltar is satisfied that there is reasonable cause to believe that:

- The respondent holds the property; and
- The property held is valued at more than £50,000.

(2) The Supreme Court must be satisfied that there are reasonable grounds for suspecting:

(a) That the known sources of the respondent's lawfully obtained income would not be insufficient for the purposes of enabling the respondent to obtain the property; or

(b) that the property has been or represents property obtained through unlawful conduct (as per the definition of section 71. "property obtained through unlawful conduct" A person obtains property through unlawful conduct (whether his own conduct or another's) if he obtains property by or in return for the conduct).

- regard is to be had to any mortgage, charge or other kind of security that it is reasonable to assume was or may have been available to the respondent for the purposes of obtaining the property;



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- it must be assumed by the court that, irrespective of the nature of his interest, the respondent obtained the property for a price equivalent to its market value;
- income is "lawfully obtained" if it is obtained lawfully under the laws of the country from where the income arises;
- "known" sources of the respondent's income are the sources of income (whether arising from employment, assets or otherwise) that are reasonably ascertainable from available information at the time of the making of the application for the order;
- where the property is an interest in other property comprised in a settlement, the reference to the respondent obtaining the property is to be taken as if it were a reference to the respondent obtaining direct ownership of such share in the settled property as relates to, or is fairly represented by, that interest.

(3) The Supreme Court must be satisfied that:

- The respondent is a politically exposed person (PEP) (as defined in 166B(7));or
- There are reasonable grounds for suspecting that:
 - (i) the respondent is, or has been involved in a serious crime (whether in Gibraltar or elsewhere); or
 - (ii) a person connected with the respondent is, or has been, so involved.

This requirement places the burden of proof on individuals, requiring them to demonstrate that their substantial assets were lawfully acquired.

Alongside enabling the issuance of UWOs, the amendment also grants the Supreme Court in Gibraltar the authority to issue interim freezing orders (IFOs). These orders restrict the disposal of assets during ongoing investigations, helping to prevent the dissipation of assets before legal proceedings commence. This additional safeguard aims to preserve assets, ensuring that potential recovery or confiscation actions are not compromised by premature transfers or sales.

Forthcoming issues/legislation

Although Gibraltar is no longer part of the EU and is therefore not obliged to follow any future EU legislative changes, Gibraltar may do so in order to achieve equivalent standards. The GFSC has issued a Policy Statement on the Interpretation of EU Guidelines and Recommendations following Gibraltar's withdrawal from the EU. EU Guidelines and Recommendations are not in the scope of the European Union (Withdrawal) Act 2019 (the Withdrawal Act), and since the end of the transition period firms are no longer under the obligation to make every effort to comply with them. However, the GFSC expects firms to continue to make every effort to comply with the EU Guidelines and Recommendations which were applicable to them at the end of the transition period, to the extent that these remain relevant.

We will be monitoring this space closely.

This Country Update is given on February 17, 2026. The information provided herein does not, and is not intended to, constitute legal advice.

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[Complaints Procedure](#)

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