



FINANCIAL INTELLIGENCE UNIT

Republic of Palau

Safeguarding the Republic of Palau Against Illicit Financial Activity

Surangel & Sons Bldg., 2nd Floor, Ernguul Road, Ikelau, Koror; P.O. Box 10243 Koror, Palau 96940 • Tel: (680) 488-5080 • palaufiu.org

Notice of Proposed Regulations

Issued pursuant to the Republic of Palau Anti-Money Laundering and Counter Terrorism Statutes, 17 PNC Chapter 33

Date Posted: March 3, 2026

Pursuant to the Administrative Procedures Act (“APA”), 6 PNC §125, the Financial Intelligence Unit (“FIU”) is providing Notice of Proposed Regulations. This section provides the initial process through which the FIU promulgates regulations that implement provisions of the Republic of Palau’s anti-money laundering and counter terrorism statutes, 17 P.N.C. Chapter 33.

A brief summary of the regulations is attached. The full text of the regulations is available for reading, inspection, review, and copying at the office of the FIU and the Bureau of Domestic Affairs. It may also be obtained by sending an e-mail to adminspecialist@palaufiu.org with subject line “Request for Proposed Regulations – FIU AML/CFT Regulation 03 & 04” or at the FIU website: palaufiu.org.

Any comments to these proposed regulations must be submitted in writing to the FIU at P. O. Box 10243, Koror, Republic of Palau 96940 or via e-mail to adminspecialist@palaufiu.org **within thirty (30) days** of the date of posting. A public hearing may be held at the discretion of the FIU or if requested by either house of the Olbiil Era Kelulau or another government agency.

At the conclusion of the time period for acceptance of comments, the FIU will review the comments and suggestions and accept, reject, or amend the regulations as presently drafted.

The FIU will then formally adopt the final regulations in accordance with the APA, 6 PNC § 125 and 17 P.N.C. Chapter 33.

/s/
Adair K. Fincher
Director, Financial Intelligence Unit

March 3, 2026
Date

Summary of Proposed Regulations
March 3, 2026

1. FIU AML/CFT Regulation 03 - Other Financial Institutions: VASPs and MVTS

FIU AML/CFT Regulation 03 - Other Financial Institutions: VASPs and MVTS defines Virtual Asset Service Providers (“VASPs”) and Money and Value Transfer Services (“MVTS”) as Financial Institutions under 17 PNCA §3301(l). VASPs and MVTS are subject to the same requirements, corrective measures, and fines as any other Financial Institutions.

2. FIU AML/CFT Regulation 04 - AML/CFT Reporting Entity Registry

FIU AML/CFT Regulation 04 – AML/CFT Reporting Entity Registry establishes a registry and registration process for Reporting Entities (Designated Non-Financial Businesses and Professions under 17 PNCA §3301(j) and Financial Institutions under 17 PNCA §3301(l)). Reporting Entities will be required to register with the FIU by September 1, 2026.



FINANCIAL INTELLIGENCE UNIT

Republic of Palau

Safeguarding the Republic of Palau Against Illicit Financial Activity

Surangel & Sons Bldg., 2nd Floor, Ernguul Road, Ikelau, Koror; P.O. Box 10243 Koror, Palau 96940 • Tel: (680) 488-5080 • palaufiu.org

Subed el Kirel a Uldasu el mo Llechul a Financial Intelligence Unit

Meketmokl el oltirakl er a Anti-Money Laundering ma Counter Terrorism Statues,
17 PNC Chapter 33

Sils ra otebdelel a subed: March 3, 2026

Tia subed/uleklatk el kirel a okedmeklel a uldasu el mo llechul a Financial Intelligence Unit (FIU) el oltirakl er a Administrative Procedures Act, 6 PNC § 125, el melekoi el kmo FIU a mo meruul er a uldasu el mo llach (*Regulations*) el lebo louspech el oltaut/melisiich a kltmokl el telbiil el ngara chelsel a Anti Money Laundering me a Counter Terrorism Statutes, 17 PNC Chapter 33.

A kedeb el omsodel a ikal uldasu el mo llach (*Regulations*) a obengkel tiang. E a mui el omsodel a sebchel mechuii, merriter, moues, e mengai a oidel er a obis er a FIU me a Bureau of Domestic Affairs. Ng dirrek el sebchel mengai el okiu a melidiul (e-mail), el address er ngii a adminspecialist@palaufiu.org el dai er ngii a “Request for Proposed Regulations – FIU AML/CFT Regulation 01 & 04” me a lechub e ng mengai er a website er a FIU: palaufiu.org.

Ngii di el uldasu/tekoi el kirel a ikal el ketmekill el uldasu el mo llach (*Regulations*) a kirel el meluches er a babier e mengai/modurokl el mo er a FIU el P.O. Box 10243, Koror, Republic of Palau 96940 me a lechub e ng okiu a melidiul (email) el address er ngii a adminspecialist@palaufiu.org er a chelsel a **okedei (30) el klebesei** el omuchel er a sils er a otebedel tial subed. Ng di ultuir ra FIU me a lechub eng ongit ra Olbiil Era Kelulau me a lechub eng ta er a obis ra amt e a orrengsbuui a mo meketmokl.

Sel orokiolel a omeliul a uldesuir a rechad, e a FIU a mo omes e merritel aika el uldasu, e sebechel el mo ngmai me a lechub e ng chemoit me a lechub e ngmodech a mla meketmokl el llach.

A uriul er itiang e a FIU a mo ngmai e ousbech aikal llach el milngai er a omerritel el oltirakl er a APA el 6 PNC § 125 me a 17 PNC Chapter 33.

/s/

Adair K. Fincher
Director, Financial Intelligence Unit

March 3, 2026

Date

Kedeb El Omesodel Tia El Uldasu El Mo Llach
March 3, 2026

1. FIU AML/CFT Regulation 03 – Other Financial Institutions: VASPS and MVTS

A kombalii el Virtual Asset Service Providers (“VASPs”) ma Money and Value Transfer Services (“MVTS”) a okodengall el financial institutions lotirakl ra 17 PNCA §3301(l). A VASPs ma MVTS a ruebet ra osisiu el teletael e dirrek el losisiu a kelbsengel ngii ma rokui el financial institutions.

2. FIU AML/CFT Regulation 04 – AML/CFT Reporting Entity Registry

A Registry ra AML/CFT Reporting Entity a registry el mor ra rokui el kobalii (Reporting Entities) el ngii a okodengall el Designated Non-Financial Businesses and Professions loltirakl ra 17 PNCA §3301(j) and Financial Institutions under 17 PNCA §3301(l). A rokui el Reporting Entities a kirir el register lobengkel a FIU ra diak el bol meuod ra September 1, 2026.

FIU REGULATION
AML/CFT-Regulation-04

AML/CFT Reporting Entity Registry

Arrangement of Paragraphs

PART I

Preliminary

PARAGRAPH

1. Short Title
2. Authorization
3. Application
4. Definitions

PART II

Statement of Policy

PARAGRAPH

1. Purpose
2. Scope
3. Responsibility

PART III

Implementation and Specific Requirements

PARAGRAPH

1. Requirement to Register with the FIU
2. Registration Requirements
3. Proof of Registration
4. Verification of Information
5. Change of Information
6. Fees

PART IV

Corrective Measures

PARAGRAPH

1. Corrective Measures

PART V

Severability

PARAGRAPH

1. Severability

PART VI
Effective Date

PARAGRAPH

1. Effective Date

PART I: PRELIMINARY

1. **Short Title** – Reporting Entity Registry
2. **Authorization** – The Republic of Palau FIU is authorized to issue and enforce regulations under 17 PNCA Chapter 33, the Money Laundering and Proceeds of Crime Act (“MLPCA”), specifically, MLPCA §§3328(b), 3329, and 3334(w). For these Regulations, MLPCA §3328(b)(12) authorizes the FIU to further prescribe by regulation the powers and duties of MLPCA §3328(b)(1).
3. **Application** – These Regulations apply to all natural or legal persons who fall within the definition of Financial Institution and Designated Non-Financial Businesses and Professions subject to the MLPCA, either through definition under MLPCA §§3001(j) or 3001(l) or through prescription by regulation under MLPCA §§3301(j)(6) or 3301(l)(13).
4. **Definitions** – Terms used within these regulations are as defined in the MLPCA or as reasonably implied by contextual usage.
 - a. “AML/CFT” means anti-money laundering and countering the financing of terrorism.
 - b. “Designated Non-Financial Business and Profession” or “DNFBP” is defined under MLPCA §3301(j) or by regulation under MLPCA §3301(j)(6).
 - c. “Director” refers to the Director of the FIU.
 - d. “FIU” means the Republic of Palau Financial Intelligence Unit.
 - e. “Financial Institutions” or “FI” is defined under MLPCA §3301(l) or by Regulation under MLPCA §3301(l)(13).
 - f. “Legal person” means a corporation, partnership, foundation, association or any other similar entity that can establish a permanent customer relationship with a Financial Institution.
 - g. “MLPCA” means the Money Laundering and Proceeds of Crime Act, 17 PNCA §3301 et seq.
 - h. “Money or Value Transfer System” or “MVTS” is defined in FIU Regulation AML/CFT-Regulation-03: *Other Financial Institutions: VASPS and MVTS*.
 - i. “Reporting Entity” means any Financial Institution or Designated Non-Financial Businesses and Profession subject to the requirements of MLPCA and its regulations.

PART II: STATEMENT OF POLICY

1. **Purpose** – The Regulations require Reporting Entities to register with the FIU in line with the FIU’s monitoring duty under MLPCA §3328(b)(1).
2. **Scope** – These Regulations apply to all Reporting Entities
3. **Responsibility** – It is the responsibility of the Reporting Entity to comply with the requirements of this registration process.

PART III: IMPLEMENTATION AND SPECIFIC REQUIREMENTS

1. Requirement to Register with the FIU

- a. In furtherance of MLPCA §3328(b)(1), Reporting Entities shall register with the FIU.
- b. Reporting Entities shall submit their initial application for registration within 30 days after obtaining a business license.
- c. Reporting Entities shall file an annual return by September 1.
- d. All Reporting Entities that have a business license as of the effective date of these regulations, or that receive a business license between the effective date of these regulations and September 1, 2026, shall submit their initial application for reregistration to the FIU by September 1, 2026.
- e. Registrations, annual returns, and other filings shall take place in the manner and form determined by the FIU.

2. Registration Requirements

- a. Reporting Entities shall be required to provide the following information in the form and manner as determined by the FIU:
 - i. Any information to help identify and locate the Reporting Entity;
 - ii. Any information necessary to fulfill the Reporting Entity’s obligations under the MLPCA and its regulations; and
 - iii. Any information necessary to understand the Reporting Entity’s size, scope of operations, AML/CFT risk, or other requirements as determined by the FIU.
- b. MVTS agents are required to register independently from the MVTS.

3. Proof of Registration

- a. Upon successful registration, the FIU shall issue a Certification of Registration to the Reporting Entity, which shall remain valid so long as the Reporting Entity complies with the law, including the requirement to file an annual return.
 - i. The Proof of Registration shall include, but is not limited to, the following:
 1. the name of the Reporting Entity,
 2. the type of Reporting Entity,
 3. the Reporting Entity's place of business and contact information,
 4. the date the Reporting Entity received the Proof of Registration,
 5. the date the Proof of Registration expires, and
 6. the Director's signature.
 - b. The FIU shall maintain a list of Reporting Entities that have received the Proof of Registration, which shall be available to the public.
 - i. This list shall include the name of the Reporting Entity, the Reporting Entity's contact information, the date the Reporting Entity received the Proof of Registration, and the date the Proof of Registration expires.
 - ii. The FIU may publish this list in the manner that it determines.

4. Verification of Information

- a. The FIU has the authority to verify the information provided by the Reporting Entity before approving the registration and issuing the Proof of Registration.
- b. Should Reporting Entity provide false or incomplete information, the FIU can require the Reporting Entity to update the registration before approving the registration.

5. Change of Information

- a. In the case that the Reporting Entity's basic information changes or the Reporting Entity ceases operations before the re-registration deadline, the Reporting Entity shall update the FIU within 30 days of the change or cessation of operation.
- b. Basic Information includes:

- i. Name
 - ii. Physical or postal address;
 - iii. Contact information;
 - iv. Type of Reporting Entity; and
 - v. Compliance Officer name and contact information.
- c. All other information shall be updated annually by September 1 in the annual return.

6. Fees

- a. There shall be no cost to register, file the annual return, change basic information with, or provide of cessation of operations to the FIU.

PART IV: CORRECTIVE MEASURES

1. Corrective Measures and Fines: If a Reporting Entity fails to register or timely file the annual return with the FIU, provides false information, or fails to notify the FIU of any changes to the basic information of the Financial Institution or the cession of business, the Reporting Entity can be subject to any and all corrective measures and/or fines provided for in the MLPCA and/or any applicable regulations promulgated by the FIU. Additionally, the failure to timely file the annual return or change of information, or the provision of false information may lead to the suspension of the Reporting Entity's registration until such time as all filings have been submitted and approved by the FIU.

PART IV: SEVERABILITY

1. Severability: If any section, subsection, item, clause, or phrase contained in these regulations is found to be illegal or otherwise incorrect or inapplicable, such finding shall not affect the validity of the remaining provisions of these regulations.

PART VI: EFFECTIVE DATE

1. Effective Date: In accordance with 6 P.N.C. §127, the effective date of the regulations will be 30 days from the date of adoption by the FIU unless rejected by the President of the Republic of Palau within 20 days of adoption and transmittal to the Office of the President.

Questions relating to the Regulations can be addressed to the Financial Intelligence Unit of the Republic of Palau.

Adopted by the Director of the Financial Intelligence Unit and concurred with by the Governing Board of the Financial Institutions Commission on ___day _____, 2026.

Adair Fincher
Director
Financial Intelligence Unit
Republic of Palau

Uroi Salii
Chair, Governing Board
Financial Institutions Commission
Republic of Palau

Approved _____, 2026

His Excellency Surangel Whipps, Jr.
President of the Republic of Palau