AMSF AUTORITÉ MONÉGASQUE DE SÉCURITÉ FINANCIÈRE

Practical Guidance on Yachting

19 May 2026

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This presentation is intended solely for awareness purposes and should not be considered a substitute for the formal training provided to each professional

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1. Background - Practical Guidance on Yachting

1. Background

A key industry in the Principality - Leading Mediterranean hub (by economic concentration)

≈ 4 Md€

Sale / Purchase

400 sales
(brokered and direct sales)
(Strix 2024)

235

Entities

Obliged Entities LCB-FT/P-C
(Strix 2025)

≈ 1 000

Employees

(Strix 2024)

≈ 4 000

Clients

reported by obliged entities
in the industry
(Strix 2024)

≈ 391 M€

Charters

1925 charters
(Strix 2024)

1er

Hub

of superyachts in the Mediterranean
in terms of economic concentration

(https://www.yachtingaddress.com)

1/8

PEP Customer

1 in 8 customers are politically
exposed persons
(ENR2)

MYS

Monaco Yacht Show

World-leading showcase with over
30,000 visitors
(MonacoTribune)

CLIENT BASE

Mostly non-resident – high proportion of legal entities – entities frequently incorporated abroad (Malta, Cayman Islands, British Virgin Islands, etc)

CHANNELS

≈ 50% of sales carried out remotely or via intermediaries – frequent use of introducers, some of which are not subject to AML/CFT-PF requirements

1. Background - ENR2 – High Risk Sector

A strategic and fast-growing sector, whose exposure to AML/CFT-PF risks is assessed as high under ENR2.

MAIN RISK DRIVERS

High Value Transactions

Transactions involving several million euros and complex financing structures

Complex Structures

Use of shell companies, trusts, SPVs, holdings, and high-risk or non-transparent jurisdictions

International Clients

Non-residents, multiple jurisdictions, PEPs

Multiple Intermediaries

Brokers, introducers, intermediaries

"Yachting

= A high risk sector"

National Risk Assessment 2 (ENR2)

This classification requires all reporting entities in the sector to apply a level of vigilance proportionate to the inherent risk.

2. Guidance Overview

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Article 46 of amended Law No. 1.362: *"The Authority shall establish guidelines for the bodies and persons referred to in Article 1 and in points 1 and 2 of Article 2, and practical guidances specific to each of these activities or by theme, in order to ensure feedback and to assist those concerned in the implementation of the law and, in particular, in detecting and reporting suspicious transactions."*

IMPORTANT NOTE

The Guidance is intended as a practical reference tool

- Summaries AML/CFT/CPF requirements
- Provide key fundamentals and good practices
- Make complex topics more accessible
- Help identify and mitigate certain risks

Practical Guide « Yachting » - May 2026 - Version 7,
available at www.amsf.mc,
section « Lignes directrices, guides et guides pratiques »

2. Guidance Overview - Content

- Background
- Main Sector-Specific Risks
- Glossary and Abbreviations
- Definition
- Risks
- A. Risks Related to Customer Characteristics
- B. Risks Related to Products and Services
- C. Risks Related to Transaction Conditions
- D. Risks Related to Distribution Channels
- E. Risks Related to Geographical Areas
- Your Obligations
- What are you required to do?
- A. General and Annual Obligations
- B. Operational Requirements
- Case Studies
- FAQ
- Legal Reminder and Sanctions
- Guidelines and Practical Guidance

3. Scope of Supervision

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- Any natural or legal person is subject to Article 1, paragraph 15 bis of amended Law No. 1.362 when the activity is carried out on a regular or occasional basis, either directly or as an intermediary.
- The envolement of other Obliged entities does not exempt you from your own obligations.

(i) Purchase & Sale Newbuilt

New yachts – catalogue or made-to-order

(ii) Purchase & Sale Second - Hand

Secondary market – due diligence on the yacht's history

(iii) Chartering

Short or Long-term rentals – Charter Retail and Charter Management

(iv) Administrative Management
(subject to conditions, i.e. slide 11)

Yacht management - administrative, financial and operational management on behalf of the owner.

3. Scope of Supervision (clarification)

- Administrative management activities (yacht management operations and technical services) are not, as such, subject to Article 1, paragraph 15 bis of amended Law No. 1.362, unless they are combined with activities falling within the scope of application.

YACHT MANAGEMENT ONLY

Not covered as such under Article 1, paragraph 15 bis

RELEVANT SERVICES

- Operations : crew management, International Safety Management (ISM), port operations, provisioning
- Technical : maintenance, refit, drydock, classification
- Technical and operational services (only)

WITHIN THE SCOPE

The company simultaneously carries out an activity subject to Law No. 1.362

RELEVANT PROVISIONS OF ARTICLE 1

15 bis	Charter management, charter retail, brokerage, S&P
30°	Intermediation, treasury management (in connection with obliged entity activities)
6° / 29°	Domiciliation or administration of the owning company
12° / 13°	Tax or legal advisory services (ancillary)

In practice, most yachting companies in Monaco combine these activities and therefore fall within the scope of the legislation.

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4. Key AML/CFT/CPF Obligations

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Basic obligations	Operational obligations
ML.TF/PF Responsible Officer	Customer Due Diligence (CDD)
Risk Based Approach	Enhanced Due Diligence (EDD)
Internal Procedures	Ongoing Monitoring
Staff Training	Suspicious Activity/Transaction Report (SAR or STR)
Internal Controls	Sanctions List Screening
Record Keeping	Asset Freezing

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4. The 5 Pillars of the AML/CFT/CPF Framework

- The AML/CFT/CPF obligations can be structured around five key pillars:

01

Organisation

Organise and establish a risk-based framework

02

Know Your Customer (KYC)

Assess the business relationship, identify the client, the beneficial owner and the ownership structure,

03

Understand Transactions

Analyse and understand the purposes of the relationships, the client's socio-economic situation and the source of funds.

04

Detect Risks

Monitor transactions and alerts, apply proportionate due diligence.

05

Respond and Report Suspicion

Freeze funds and report suspicious transactions to the AMSF without delay via goAML

4.1. AML/CFT/CPF Compliance Organisation (1)

- Organisation – Article 13 of amended Law No. 1.362 – “Yachting” Practical Guidance, pp. 19–25

Internal Procedures Approved, regularly updated, and communicated to the AMSF.	• They must reflect the entity’s practices and be effectively implemented. • Professionals are invited to rely on the self-assessment grid established by the AMSF.
Governance Appointment of an AML/CFT-P-C officer, Clear Role and Responsibilities / Involvement of senior management.	• Attention must be paid to conflicts of interest. • Continuity of the Compliance function must be ensured in the absence of the AML/CFT-P-C officer
Training & Awareness Initial and ongoing training, tailored to the functions performed.	• Awareness actions must be implemented on an ongoing basis to foster a compliance culture and maintain an appropriate level of vigilance.
Internal Control Ongoing monitoring and periodic reviews (internal or third parties)	• Independent periodic reviews (conducted internally or by a third party) aim to ensure the effectiveness and proper implementation of the framework in place

Any incomplete STRIX annual questionnaire or submission of insufficient data may lead to an on-site inspection. Failure to submit the questionnaire may result in administrative sanctions (Article 64-7 of Law No. 1.362, as amended).

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4.1. Risk Based Approach (RBA) (2)

- RBA – Articles 3 and 4 of amended Law No. 1.362 – “Yachting” Practical Guidance, pp. 9–17
- Tailor-made AML/CFT/CPF measures to the level of risk to ensure efficient resource allocation and appropriate due diligence.

GLOBAL ASSESSMENT

Adapt the framework to the nature and size of the entity, the risks generated by its activities (products and services), customer base, distribution channels, geography and transactions (5 legal criteria),

SPECIFIC ASSESSMENT

For each customer or occasional transaction, adjust the level of due diligence and apply appropriate measures.

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4.1. Risk Based Approach (RBA) (2)

- This Guidance, pp. 9–17: The purpose of this chapter is to provide examples of common and existing risks within the sector.
- This list of risks presented in the Guide is not exhaustive and should be carefully considered and tailored to your entity in light of your knowledge and experience.
- It is important to note that what may be considered a risk factor for one Obliged entity may not be so for another. For this reason, the law requires each Obliged entity to implement a risk assessment tailored to its own activities and characteristics.
- Business risks should also be considered alongside the risks outlined in the Generic Guidelines and the Practical Guidance on Overall Risk Assessment.
  - https://amsf.mc/accompagnement/lignes-directrices-guides-et-guides-pratiques

4.2. Definitions (1)

- Qualify the nature of the relationship with the client – Article 4-3 of amended Law No. 1.362, Article 2(9-1) of amended SO No. 2.318, “Yachting” Practical Guidance, pp. 7–9.
- The distinction between “Prospect / Client” and “Occasional Transaction / Business Relationship” directly determines the assessment methodology and the level of due diligence to be applied.

Prospect

A person seeking to establish a relationship. There is an obligation to retain relevant information and report any suspicion from this stage onward.

Client

Any person who enters into a commercial or service agreement, or carries out a transaction with the yachting Obliged entity.

Occasional Transaction

A one-off transaction (e.g. a single purchase or sale) that is not part of an ongoing relationship.

Business relationship

Ongoing business relationship involving multiple interactions over time (e.g. charter management).

KEY POINTS

- Identification must take place at the prospect stage
- Proper qualification ensures an appropriate assessment methodology
- The level of due diligence must be adapted to the type of relationship and the level of risk
- Example of an occasional transaction: a one-off purchase by a single client
- Example of a business relationship: charter management

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4.2. Customer Due Diligence – Identification (2)

- Customer identification (natural person, legal entity, beneficial owner) – Articles 4 and 4-3 of Law No. 1.362 as amended; Chapters II, VIII of SO No. 2.318 - “Yachting” Practical Guidance, p. 25.

Natural Person	Legal Entity	Beneficial Owner
Client, beneficial owner, director, representative, or intermediary	Name, legal form, registered office	Any natural person holding > 25% of the capital or voting rights
Valid, readable passport or ID	Extract from the Trade and Companies Register (RCI), K-bis, or equivalent document	Or exercising control by any other means
Recent and reliable proof of address	Up-to-date articles of association	*The objective is to understand the ownership and control structure.*
Screening or checks (sanctions, reputation, etc.)	Screening and checks (sanctions, reputation, etc.)	Screening and checks (sanctions, reputation, etc.)

- Identification must take place PRIOR to entering into a business relationship, based on reliable and independent supporting documents. It must rely on reliable and verifiable sources to ensure accurate assessment of AML risks.

4.2. Identification – Specific Cases (3)

- Identification – specific cases –"Yachting" Practical Guidance, p. 17

REMOTE IDENTIFICATION

Article 13 of amended Law No. 1.362; Chapter V of SO No. 2.318
Permitted subject to enhanced due diligence. Common in the yachting industry (international clientele).

REQUIREMENTS

- Two valid official identity documents with a picture
- Verification of the authenticity and consistency of the information provided
- Corroboration through independent and reliable sources
- Specific review prior to onboarding stage – full traceability
- First payment from a bank account held in Monaco or in an equivalent jurisdiction (excluding high-risk third countries), opened in the client's name

IDENTIFICATION BY A THIRD PARTY

Art. 8 of the amended Law 1.362
Final responsibility remains with the reporting entity relying on the third party,

CUMULATIVE CONDITIONS

- Third party subject to equivalent AML/CFT obligations
- Subject to equivalent regulatory supervision in its home jurisdiction (excluding ETHR).
- Effective access to the information and documents collected
- Initial verification of reliability and ongoing monitoring
- The arrangement must be set out in a contractual agreement

4.3. Socio-Economic Background

- Understand the source of wealth and source of funds to gain a clear view of financial flows.
- Art. 4-3 of Law n° 1.362 as amended, Art. 10 of SO n° 2.318 as amended, “Yachting” Practical Guidance pp. 11, 17, 33.

Socio-economic Profile	Supporting Documentation & Consistency	Ongoing Monitoring
Current occupation, professional background	Contract, financial statements, distributions, etc.	Consistency of transactions with the socio-economic profile
Source of wealth (business activities, dividends, inheritance)	Consistency between the profile, level of wealth and type of yacht	Documentation of due diligence measures
Legal structures (SPVs, trusts, holding companies)	Consistency between the purchase price and operating costs	Periodic update of the client file
Risk factors (PEPs, jurisdictions, media exposure)	Supporting documentation explaining the legal and financial structure	Comprehensive record-keeping ensuring full traceability within the client file

4.4. Ongoing Monitoring (1)

- Ongoing monitoring must be conducted throughout the business relationship, covering transactions, customers and payment methods.
- Art. 5, 14, 14-1, 14-2 and 35 of the amended Law n° 1.362 - Chapter VII bis of the amended SO 2.318 – “Yachting” Practical Guidance, pp. 27, 33.

PAYMENT METHODS TO BE MONITORED

Cash
Thresholds, smurphing, supporting documentation

Cheques
Issuer, drawee bank, endorsements

Bank Transfers
Country of origin, ordering party, multiple third parties or bank accounts

Crypto-assets
Origin, conversion, service provider

ETHR countries
High-risk countries or territories (FATF and Monaco lists)

SUPERVISION EXPECTATIONS

A proportionate and ongoing monitoring approach

Regular screening	Manual, automated or hybrid monitoring
Transaction	Consistent with the socio-economic profile
Detection of unusual or suspicious activity	Atypical patterns, structuring, layering
Audit trail	Ongoing documentation and maintenance of records.
File update	Periodic, based on the level of risk

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4.4. High Risk Situations (2)

- The following situations require an enhanced level of scrutinity – including in-depth analysis, specific/particular examination, and systematic formalisation. “Yachting” Practical Guidance, pp. 25, 27, 29 & 33.

Politically Exposed Persons (PEP)

Art. 17, Law No. 1.362 as amended

The client (and/or beneficial owner) holds a politically exposed position (See the AMSF PEP Practical Guidance).

Inconsistency with the customer profile

Art. 14, Law No. 1.362 as amended

Clear disproportion between the customer’s socio-économic profile (**e.g.** occupation, income) and the unusually high amount of the transaction.

High-risk countries

Art. 14-1 & 14-2 Law No. 1.362 - Min, Order No. 2021-703

The relationship, transaction or establishment of the entity involves countries listed by the FATF as non-cooperative » or high-risk jurisdictions.

Unjustified complexity

Art. 14 of Law No. 1.362 as amended

Remote onboarding combined with complex legal structures with no apparent economic rationale – resulting in a complexe business relationship.

- Where applicable, the above requirements must be documented in the client file – any breach may be subject to sanctions under Articles 65 et seq. of Law No. 1.362 as amended.

4.5. Targeted Financial Sanctions (1)

- Art. 42 of Law No. 1.362 ; Sovereign Ordinance No. 8.664 of 26 May 2021 on Targeted Financial Sanctions (TFS) ; See also the “Yachting” Practical Guidance, pp. 5, 11, 19, 29, 33.

OBLIGATION OF RESULT

For all Obliged entities in the yachting sector

SCREENING & FILERING

- Manual, automated or hybrid
- Mandatory integration of the Monaco national asset-freezing list
- Checks carried out prior to each transaction or establishment of a business relationship (on natural or legal persons, beneficial owners and vessels)
- Ongoing monitoring throughout the business relationship

IN THIS EVENT OF A POSITIVE HIT/MATCH

Immediate & formalised actions to be taken

01 Immediate reporting

To the Budget and Treasury Department (dbt.geldefonds@gouv.mc) and to the AMSF Financial Intelligence Unit via goAML

02 Immediate freezing of funds

Without any discretionary freezing

03 Documentation & audit trail

All alerts(positive, negative or false positive) shall be recorded and traceable

- Obliged entites are encouraged to attend the training sessions provided by the Budget and Treasury Department on the subject of targeted financial sanctions.

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4.5. Suspicious Transaction Reporting (2)

- Art. 7, Chapter V & Art. 36, 50 of Law No. 1.362 ; Ministerial Order No. 2021-703 as amended.
- A suspicious transaction report (STR) must be submitted without delay, as soon as suspicion arises, via goAML, to enable prompt action by the competent authorities.
- “Yachting” Practical Guidance, pp. 27-29,

FUNDAMENTAL PRINCIPLE

An STR is based on a set of indicators – no evidence is required. The report is by nature presumptive. Where suspicion is established, the business relationship shall be refused of terminated.

3 SITUATIONS TO BE REPORTED TO THE FINANCIAL INTELLIGENCE UNIT

Suspicious transactions, non-cooperative countries (FATF), and persons subject to asset freezing measures.

POSSIBLE SOURCES OF SUSPICION

Inconsistencies

In the information provided or in transactions

Atypical transactions

Unusual transactions with no apparent economic rationale

Customer behaviour

Client reluctant to provide documentation or making frequent changes

Profile & source of funds

Discrepancies between the client’s profile and the amount involved, or an unjustified source of funds

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5. Practical cases

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ILLUSTRATIVE OPERATIONAL SCENARIOS

Overview of 3 scenarios:

- Scenario 1: Sale transaction
- Scenario 2: Charter transaction
- Scenario 3: Purchase transaction involving a complex structure

SCENARIO 1 - Focus

- The client A is an individual wishing to sell a vessel.
- Purchaser B is a client of another yachting obliged entity, (Entity C).
- In this scenario, due diligence obligations apply only to Client A (the seller)
- The other yachting professional (Entity C) and the purchaser (Client B) are not clients of the obliged entity and are therefore outside the scope of AML/CFT-PF obligations.

6. Additional publications

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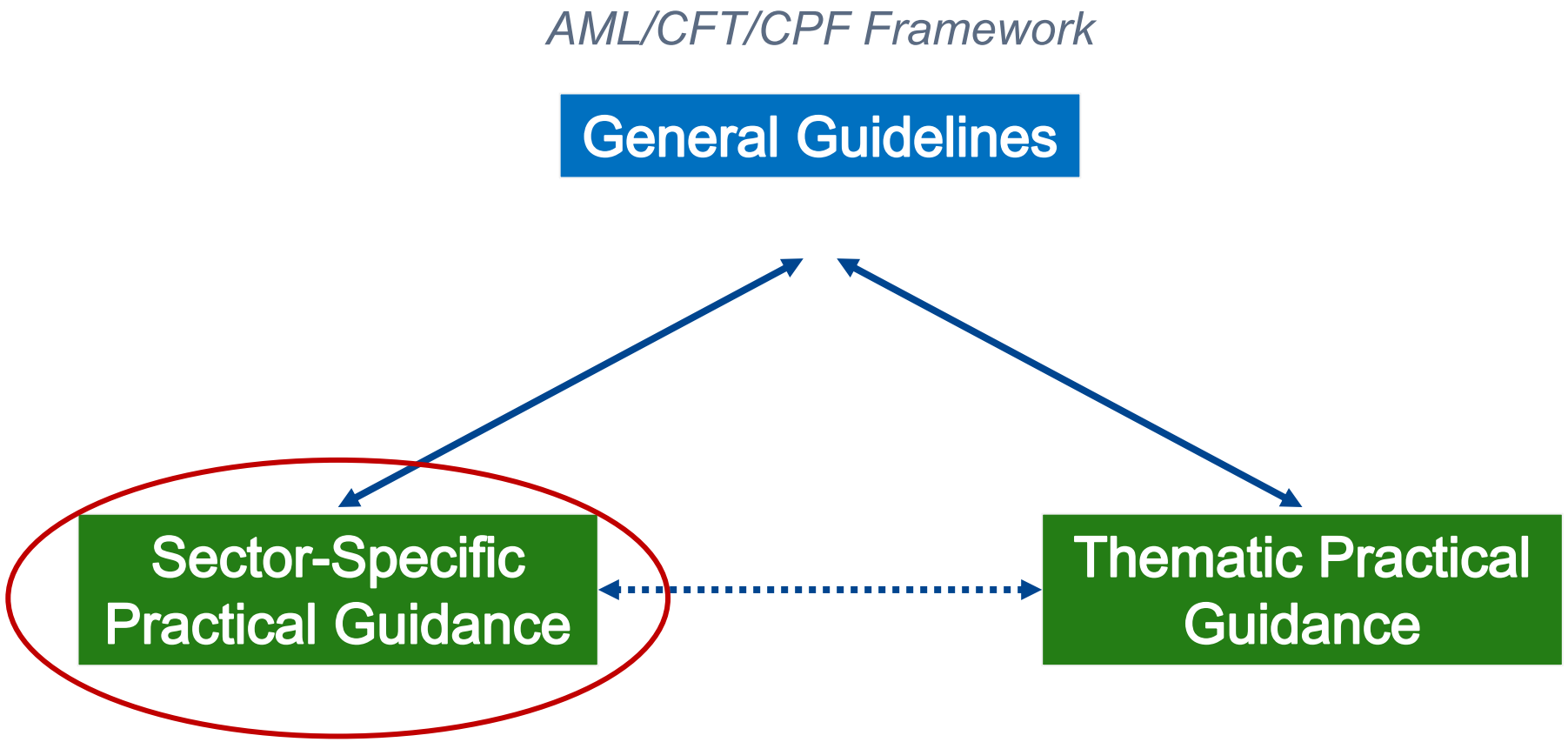

6. Additional publications

Sector-Specific Guidance

✓ Real Estate Agents

✓ Private Banking and Wealth Management

✓ Yachting

Sports Agents

Business Centers

Antique Dealers, Art Galleries and Auction Houses

Legal and Accounting Professionals

Thematic Guidance

✓ Overall Risk Assessment

✓ Politically Exposed Persons

✓ Ultimate Beneficial Owner and Complex Structures

✓ Suspicious Transaction Reporting

✓ Internal Procedures

Cash Payment

Virtual Assets and Service Providers

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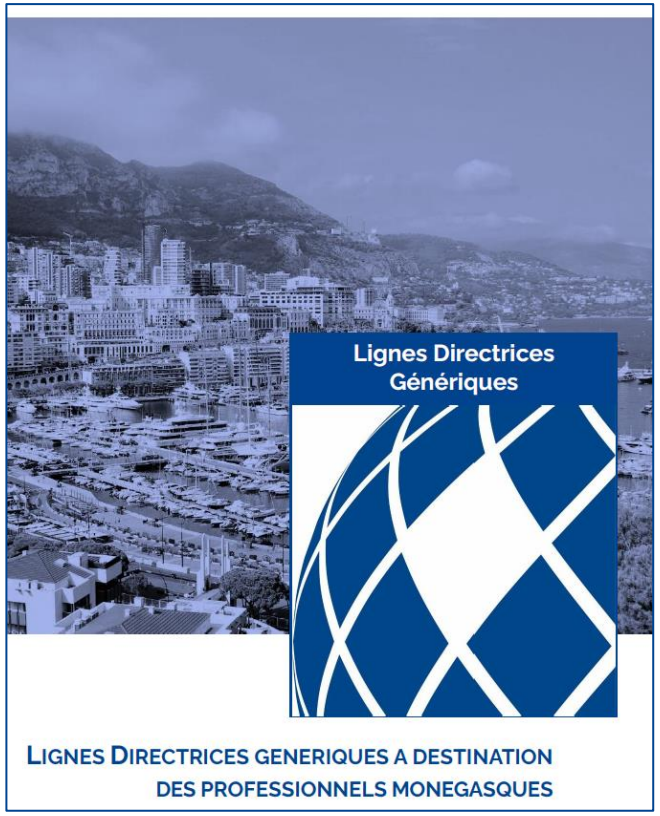
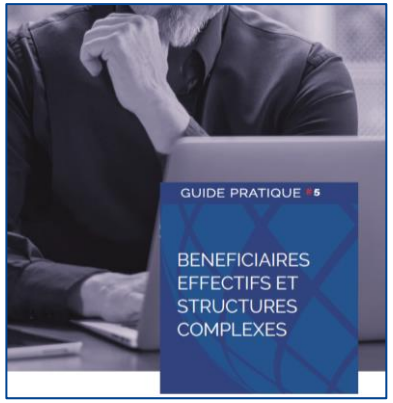
6. Additional Guidance and Publications

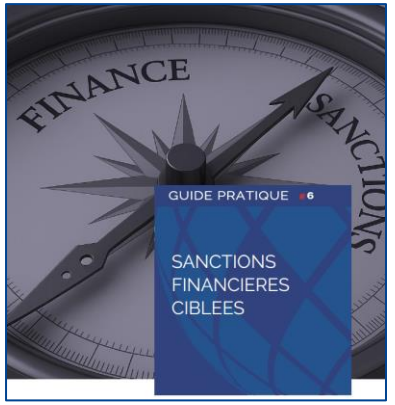
GENERIC GUIDELINES AND PRACTICAL GUIDANCES

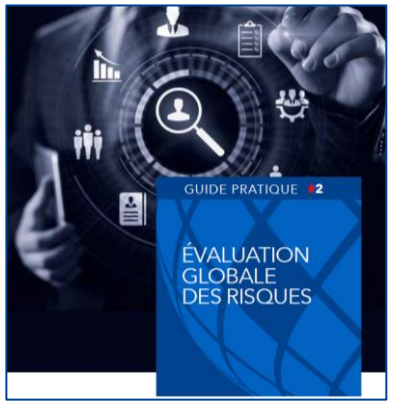
The Generic Guidelines and Practical Guides are available on the AMSF website under the "Support" section, or directly via the following link: : https://amsf.mc/accompagnement/lignes-directrices-guides-et-guides-pratiques

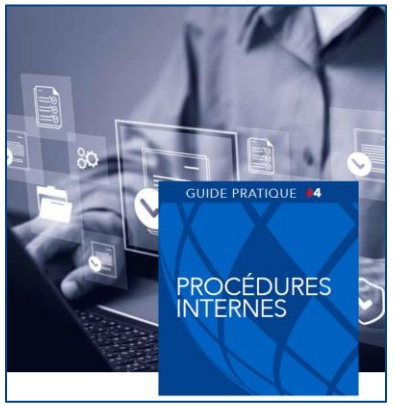
- As of today, 22 documents have been published, while 9 additional documents are currently under preparation prior to publication.











7. Conclusion – Key Takeaways

- **Purpose**
  Enable reporting entities to identify suspicious activities clearly and report them to the AMSF without delay.
- **The framework built around 5 key pillars:**
  Organise, Know, Understand, Detect, React

- **Key point**
  An effective framework enables timely detection, assessment, and reporting of suspicious activities.

Thank you for your attention

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