

OPENING REMARKS DELIVERED BY Mr. PRAKASH MUNGRA, EXECUTIVE DIRECTOR OF THE CBA, IN CONNECTION WITH THE INFORMATION SESSION ORGANIZED BY THE CBA ON JUNE 30, 2010 AT THE RENAISSANCE CONVENTION CENTER TO INFORM THE SECTORS SUPERVISED BY IT ON THE UPCOMING LEGISLATIVE AND REGULATORY CHANGES IN THE AREA OF AML AND CFT

Dear Ladies and Gentlemen,

It is with great pleasure that I welcome you to this important information session at the Renaissance Convention Center during which a broad outline of the main features of the recently drafted state ordinance on the prevention and combating of ML and TF, which will replace the current ordinances on the reporting of unusual transactions and the identification requirements when providing services, will be provided by Mr. George Croes, who has done a tremendous job in producing a first draft that will meet FATF standards in the areas of client identification and monitoring, identification and monitoring of high risk clients (including pep's) and the reporting of unusual or suspicious transactions. Furthermore, the representatives of Sator Regulator Consulting Ltd, who have assisted the Aruban authorities with the drafting of an action plan to remedy the many deficiencies identified in the MER of October 2009 and with the implementation of certain parts of this action plan, will present you with a detailed outline of the AML/CFT handbook which is now in the final drafting stage and will be rolled out soon. The Sator representatives will also discuss some interesting cases with you to make this session as practical and interactive as possible.

Let me assure you that there will be some transitional arrangements in the new ordinance and the handbook in order to give you sufficient time to comply with new or more stringent stipulations contained therein. Nonetheless, I would like to encourage you to already start with the strengthening of your systems and procedures and moreover to undertake a thorough evaluation of the adequacy of your available resources, both in terms of personnel and automated systems, to ensure that you will be able to meet within the required timeframe the more strict requirements in the area of amongst others client identification, customer due diligence, pep's, account monitoring, account analysis and internal and external reporting and to ensure on an ongoing basis compliance with all the AML/CFT laws and regulations that apply to your industries. In accordance with the action plan submitted to the FATF, the envisaged implementation date of the new state ordinance as well as the sectoral handbooks is January 1, 2011.

Let me now provide you with a brief summary of the main actions already undertaken or underway since the MER report of Aruba was adopted in the FATF plenary of October 2009 in Paris, France.

- The establishment by ministerial decree of a high level AML/CFT Strategy Group, chaired by the Prime Minister and further consisting of the ministers of Finance, Justice, Economic Affairs and the directors of the main government agencies and institutions involved in AML/CFT issues. This group, of which one of its main objectives is the monitoring of the timely execution of the action plan, has already met three times this year.

- The introduction in the Penal Code of independent and specific provisions penalizing terrorist financing.
- The transfer of the oversight responsibilities with respect to the State Ordinance on the reporting of unusual transactions to the CBA insofar it concerns the financial institutions supervised by the CBA, effective July 1, 2010. It is noteworthy to mention that meanwhile the Council of Ministers has decided to also transfer in the case of the DNFBP's the oversight responsibilities with respect to the AML/CFT laws from the MOT to the CBA.
- The introduction of a State Decree implementing the Sanction Ordinance, effective June 25, 2010. Note that the CBA is now responsible for overseeing compliance by the financial institutions (and in due time also with regard to the DNFBP's ) with the Sanction Ordinance.
- The introduction of a provision in the Judicial Documentation Ordinance granting the President of the CBA access through the Prosecutor General to the information contained in the Judicial database. This together with the revised personal questionnaires and the strengthened procedures that will be implemented as soon as possible are aimed at strengthening the fit and proper testing of directors, senior officials, and shareholders of the financial institutions supervised by the CBA on an ongoing basis.
- The establishment of a separate Integrity Unit within the Supervision Department of the CBA to ensure that focused attention and sufficient resources are allocated to oversee compliance with the different AML/CFT laws and regulations and to provide senior management with policy advice in this area.
- The ongoing strengthening of the personnel resources of the key agencies and institutions, including the CBA, MOT, and the Prosecuting Office, in the prevention and combating of ML and TF.

Other important legislative projects underway are the introduction of an ordinance to regulate investment businesses (including the electronic stock exchanges), the strengthening of the existing supervisory laws, inter alia the broadening and strengthening of the sanction regime and the broadening of the possibilities to exchange information with foreign supervisors and to enhance the possibilities to ban managers, directors or shareholders from the institutions supervised, and last but certainly not least, the complete revision of the companies law.

To conclude, much work has or is currently being undertaken to strengthen Aruba's AML/CFT framework. The implementation of a new ordinance to prevent and combat ML and TF, as well as the introduction of a detailed AML/CFT handbooks are very important milestones in this regard. Nonetheless, there is no room for complacency. In contrary, in view of the enhanced follow up regime that applies to Aruba, resulting from the negative outcome of the mutual evaluation of Aruba's AML/CFT system against the 40+9 FATF recommendations, swift implementation of the action plan is necessary to safeguard Aruba's international reputation.

I thank you for your attention and wish you all a fruitful meeting.

Aruba, June 30, 2010