



Ministerie van Financiën



AML/CFT: recent developments in BES

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Summary

- Multiple jurisdictions = increased risks
- BES legislation = Dutch, unless...
- FATF = rigid, exceptions possible
- Policy choices = dependent on private sector



The Dutch approach to money laundering

- Money Laundering = priority
- Open economy = vulnerable
- Law enforcement = follow the money
- Supervision = risk management
- Fight Money Laundering = co-operation



Constitutional reforms

- More jurisdictions = increased risks:
 - multiple jurisdictions
 - differences between jurisdictions

- Remedy:
 - co-operation
 - co-ordination of legislation and policies



Transition phase

- Conversion without policy changes
- Exception: AML/CFT
- Level playingfield with Curaçao / Sint Maarten
- New: FIU and supervisors
- Next step: new legislation in 2012
 - "Money Laundering and Terrorist Financing Prevention Act"



End model

- Principle: Dutch law
- Charter: take into account differences
 - Size and nature of financial markets
 - Degree of interdependence with Curaçao en Sint Maarten
 - Geography
 - Cash based economy



International standards / tailor made

- Principle: comply with international standards

- FATF allows exceptions:
 - Introduced business
 - Timing of CDD

- Policy choices:
 - Risk Based Approach
 - Subjective indicators



Risk Based Approach (I)

- FATF allows RBA
- RBA = determine measures on risk sensitive basis
- RBA = possible reduction administrative burdens
- RBA = commitment and investment



Risk Based Approach (II)

- No checklist, make your own assessment
- Conditions:
 - serviceproviders invest in employees and operational management
 - supervision is focused on risk assessment
 - co-ordination with Curaçao and Sint Maarten



Subjective indicators?

- Objective indicators: black or white?
- Subjective indicators: how grey?
- Conditions comparable to RBA:
 - serviceproviders invest in employees and operational management
 - supervision is focused on risk assessment



Concluding remarks

- Policy choices:
 - Risk Based Approach?
 - subjective indicators?
- Combat money laundering = join forces