Supervision & enforcement by the CBA

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I. General

- **CBA is the sole supervisory authority**
  - Information and guidance
  - Collection of data
  - Conduct of investigations

- **Integrity supervision**
  - Integrity risk management
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II. Supervisory regime

- **Supervision**
  - Action plans
  - Guidance notes

- **Challenges**
  - Scope expansion
  - Risk Based Supervision

- **Tools**
II. Supervisory regime : Tools

TOOLS:

• On-sites
  - full scope
  - targeted

• Self assessments

• Thematic supervisory approach

• Communication with MLCO

• Communication via website

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III. AML/CFT Defenses

AML/CFT State Ordinance

What to do?

Comply!

Implement

Minimize Risks

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III. AML/CFT Defenses

Chapter 6 of the AML/CFT State Ordinance

Key defenses against ML/TF:

- Policies, procedures, measures (art. 46)
- Periodic assessment (art. 46)
- MLCO (art. 47)
- MLRO (art. 47)

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III. AML/CFT Defenses

Chapter 6 of the AML/CFT State Ordinance

Key defenses against ML/TF:

- Policies, procedures, measures (art. 46)
  - Internal organization & internal controls
  - Staff
  - CDD
  - Reporting (internal & external)
  - Record keeping

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III. AML/CFT Defenses

Purpose of sound Policies, Procedures, and Measures

- Avoid reputation risk, protecting and maintaining the good name of YOUR company
- Avoid responsibilities of a criminal, civil, or commercial nature
- Compliance with existing laws and future laws
- Hinder organized criminal activity

Continuous program enhancement:

One size does **NOT** fit all!

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According to article 50 of the AML/CFT State Ordinance, the sector must:

✓ Register at the CBA

- Registration form on [www.cbaruba.org](http://www.cbaruba.org)
- Report changes to the CBA

OBLIGATION → SANCTION
IV. CBA authority vs. sector obligations

According to article 35 of the AML/CFT State Ordinance, the **CBA has the authority**:

- To request all information.
- To demand inspection of all business book, documents, and other data carriers.
- To make copies of the abovementioned.
- To enter all places, except for dwellings without the express permission of the resident.
According to article 35 of the AML/CFT State Ordinance, the sector is obligated:

- To grant the designated CBA employee all cooperation demanded
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IV. Enforcement

Measures to be taken in case of violations.

Some starting points:

- Standard-compliant behavior
- As soon as CBA becomes aware
- Effective action
IV. Enforcement: instruments

Enforcement instruments:

• Serious conversation/ warning letter
• Remediation measures
• Administrative fine
• Report to PPO (OM)
Management is responsible for setting the "tone at the top".

Management should deliver a strong message to others in the company about the importance of integrity, compliance with the law, and overall good business ethics.
BOTTOM LINE:

Compliance is not about keeping us happy. It’s about enabling YOU to cut YOUR losses by not doing business with persons / companies that might harm or embarrass YOU …
Thank you
Questions?

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