



CENTRALE BANK VAN ARUBA

December 21, 2016

To the Managements of all regulated entities

DGS/gcr/1.13/INT/5493

**Subject: (C)FATF Public Statement/Compliance Document**

Dear Management,

The purpose of this letter is to draw your urgent attention to:

a. FATF Public Statement and Compliance Document (October 21, 2016) (enclosure 1 and 2)

The FATF calls for countermeasures with regards to the **Democratic People's Republic of Korea** to protect the international financial system from the on-going and substantial money laundering and terrorist financing risks. Also, the FATF calls for the application of enhanced due diligence measures proportionate to the risks arising from the jurisdiction **Iran**. Furthermore, the FATF has decided that **Guyana** is no longer considered as a jurisdiction with strategic deficiencies and hence will no longer be subject to the FATF's on-going global AML/CFT compliance process.

b. CFATF Public Statement (November 9, 2016) (enclosure 3)

The CFATF calls to consider the risks arising from the deficiencies associated with **Haiti** that has not made sufficient progress in addressing the deficiencies or has not complied with the Action Plan developed with the CFATF to address these deficiencies and **Suriname** that has made significant progress in addressing strategic AML/CFT deficiencies and has entered into the process to exit CFAFT ICRG.

**REQUIRED ACTIONS**

The Centrale Bank van Aruba (CBA) urges all regulated entities to take duly notice of the information contained in the enclosures, as well as of the required follow-up actions that need to be taken.

Further details and the actions you are required to take are outlined in enclosure 4 and 5.

The relevant regulatory framework is enclosed for your convenience (enclosure 6).

If you have any questions or comments regarding this letter, please contact Mr. D.G. Specker of the Integrity Supervision Department at telephone number (297) 5252-175 or by email, [d.specker@cbaruba.org](mailto:d.specker@cbaruba.org).

Sincerely yours,

Centrale Bank van Aruba

Enclosures: 6

# Public Statement - 21 October 2016

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Paris, 21 October 2016 - The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

***Jurisdiction subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/FT) risks***

## **Democratic People's Republic of Korea (DPRK)**

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, FATF has serious concerns with the threat posed by DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC Resolutions.

***Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due***

***diligence measures proportionate to the risks arising from the jurisdiction*****Iran**

In June 2016, the FATF welcomed Iran's adoption of, and high-level political commitment to, an Action Plan to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Accordingly, in June 2016, the FATF suspended counter-measures for twelve months in order to monitor Iran's progress in implementing the Action Plan. If the FATF determines that Iran has not demonstrated sufficient progress in implementing the Action Plan at the end of that period, FATF's call for counter-measures will be re-imposed. If Iran meets its commitments under the Action Plan in that time period, the FATF will consider next steps in this regard.

Iran will remain on the FATF Public Statement until the full Action Plan has been completed. Until Iran implements the measures required to address the deficiencies identified in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system. The FATF, therefore, calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19. The FATF urges Iran to fully address its AML/CFT deficiencies, in particular those related to terrorist financing.

The FATF will continue to engage with Iran and closely monitor its progress.

More on:

- Improving Global AML/CFT Compliance: on-going process - 21 October 2016 - other monitored jurisdictions
- Outcomes of the Plenary meeting of the FATF, Paris, 19-21 October 2016

High-risk and non-cooperative jurisdictions

## Enclosure 2

# Improving Global AML/CFT Compliance: on-going process - 21 October 2016

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*Paris, 21 October 2016* - As part of its on-going review of compliance with the AML/CFT standards, the FATF identifies the following jurisdictions that have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an on-going basis, that pose a risk to the international financial system.

The FATF and the FATF-style regional bodies (FSRBs) will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Jurisdictions with strategic deficiencies	Jurisdiction no longer subject to the FATF's on-going global AML/CFT compliance process
Afghanistan Bosnia and Herzegovina Iraq Lao PDR Syria Uganda Vanuatu Yemen	Guyana

## Afghanistan

In June 2012, Afghanistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Afghanistan has taken significant steps to improve its AML/CFT regime, including issuance of a freeze order that automatically requires the implementation of changes to

the UNSCR 1267 list. However, Afghanistan should provide additional information regarding the implementation of its legal framework for identifying, tracing and freezing terrorist assets. The FATF encourages Afghanistan to continue implementing its action plan to address the remaining AML/CFT deficiency.

## **Bosnia and Herzegovina**

In June 2015, Bosnia and Herzegovina made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Since June 2016, Bosnia and Herzegovina has taken steps towards improving its AML/CFT regime, including by finalising a regulation for freezing terrorist assets under UNSCR 1373. Bosnia and Herzegovina should continue to implement its action plan to address its deficiencies, including by: (1) harmonising criminalisation of terrorist financing and money laundering in all criminal codes; (2) implementing the framework for freezing terrorist assets under UNSCR 1373; (3) implementing an adequate supervisory framework; (4) implementing adequate AML/CFT measures for the non-profit sector; (5) establishing and implementing adequate cross-border currency controls; and (6) ensuring adequate procedures for the confiscation of assets. The FATF encourages Bosnia and Herzegovina to continue implementing its action plan to address its AML/CFT deficiencies.

## **Iraq**

In October 2013, Iraq made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since June 2016, Iraq has taken steps towards improving its AML/CFT regime, including by: addressing remaining issues related to its criminalisation of money laundering and terrorist financing; establishing a legal framework and procedures for identifying and freezing terrorist assets; and ensuring a fully operational and functioning financial intelligence unit. Iraq should continue to implement its action plan to address its remaining deficiencies, including by: (1) implementing the legal framework and appropriate procedures for identifying and freezing terrorist assets; (2) ensuring that all financial institutions are subject to adequate customer due diligence requirements; (3) ensuring that all financial institutions are subject to adequate suspicious transaction reporting requirements; and (4) establishing and implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors. The FATF encourages Iraq to continue implementing its action plan to address its remaining AML/CFT deficiencies.

## **Lao PDR**

In June 2013, Lao PDR made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since June 2016, Lao PDR has taken steps towards improving its AML/CFT regime, including the introduction of a cross-border declaration regime. However, the FATF has determined that certain strategic deficiencies remain. Lao PDR should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering

and terrorist financing; (2) implementing adequate AML/CFT controls for MVTs providers; and (3) implementing effective controls for cross-border currency transactions. The FATF encourages Lao PDR to continue implementing its action plan to address its AML/CFT deficiencies.

## **Syria**

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.

## **Uganda**

In February 2014, Uganda made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Since its original action plan, Uganda was subject to a mutual evaluation, which highlighted additional strategic deficiencies. These deficiencies have been included in the revised action plan, to which a renewed political commitment was provided in June 2016. Since June 2016, Uganda enacted amendments to its regulation implementing UNSCRs 1267 and 1373. Uganda should continue to work on addressing the following deficiencies: (1) adequately criminalise terrorist financing; (2) implement adequate procedures for freezing terrorist assets in accordance with UNSCRs 1267 and 1373, and their successor resolutions; (3) ensure that all financial institutions are subject to adequate record-keeping requirements; (4) and ensure that all financial services and the FIA have the power to supervise and enforce compliance with AML CFT requirements (5) establish a fully operational and effectively functioning financial intelligence unit; (6) introduce and implement an appropriate legal basis to permit the competent authorities to provide a wide range of mutual legal assistance; and (7) ensure that appropriate laws and procedures are in place with regard to international co-operation for the financial intelligence unit and supervisory authorities. The FATF encourages Uganda to continue implementing its action plan to address its AML/CFT deficiencies.

## **Vanuatu**

In February 2016, Vanuatu made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since June 2016, Vanuatu has passed amendments to improve obligations to obtain beneficial ownership information and prohibit bearer shares and bearer share warrants for international companies. Vanuatu should continue to work on implementing its action plan to address its deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing

and freezing terrorist assets and other UNSCR sanctions; (4) ensuring a fully operational and effectively functioning financial intelligence unit; (5) strengthening preventive measures, including for wire transfers; (6) establishing transparency for the financial sector, and for legal persons and arrangements; (7) implementing an adequate AML/CFT supervisory and oversight programme for all the financial sector and trust and company service providers; and (8) establishing appropriate channels for international co-operation and domestic coordination policies and actions on identified risks and ensuring effective implementation. The FATF encourages Vanuatu to continue implementing its action plan to address its AML/CFT deficiencies.

## Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by adequately criminalising money laundering and terrorist financing; establishing procedures to identify and freeze terrorist assets; improving its customer due diligence and suspicious transaction reporting requirements; issuing guidance; developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and establishing a fully operational and effectively functioning FIU. While the FATF determined that Yemen has completed its action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

### Jurisdiction no Longer Subject to the FATF's On-Going Global AML/CFT Compliance Process

#### Guyana

The FATF welcomes Guyana's significant progress in improving its AML/CFT regime and notes that Guyana has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in October 2014. Guyana is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Guyana will work with CFATF as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

#### More on:

- FATF Public Statement - 21 October 2016 - jurisdictions subject to an FATF call for action
- Outcomes of the FATF Plenary, 19-21 October 2016

High-risk and non-cooperative jurisdictions





cfatf-plen-xliv-ps-nov2016  
 Public Statement  
 November 9, 2016

**CFATF - Public Statement – Providenciales, Turks and Caicos, November 9<sup>th</sup>, 2016**

Providenciales, Turks and Caicos Islands 9<sup>th</sup> November, 2016 - The Caribbean Financial Action Task Force (CFATF) is an organisation of twenty-seven jurisdictions of the Caribbean Basin Region, which have agreed to implement the international standards for Anti-money Laundering and Combating the Financing of Terrorism (AML/CFT), Financial Action Task Force Recommendations (FATF Recommendations). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the CFATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

*Jurisdiction with strategic AML/CFT deficiencies that has not made sufficient progress in addressing the deficiencies or has not complied with the Action Plan developed with the CFATF to address these deficiencies. The CFATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.*

**Haiti**

The CFATF undertook a High Level Mission (HLM) to the Republic of Haiti on Monday 27<sup>th</sup> of April 2015. Thereinafter, a letter from the CFATF Chair, was sent to Haiti on the 17<sup>th</sup> of September 2015, making reference that Haiti would remain in the second stage of enhanced of follow-up but would need to demonstrate progress. At the CFATF Plenary in November 2015, Haiti demonstrated some progress on non-legislative measures. Plenary determined that Haiti should remain in the status quo and demonstrate to the May 2016 Plenary substantial compliance with both non-legislative and legislative requirements. At the CFATF Plenary in June 2016, Haiti demonstrated that had taken steps towards improving its AML/CFT compliance regime with non-legislative actions, including providing training to FIU, Police officers, Prosecutors and Magistrates; and taking steps to join the Egmont Group. However, Plenary was not satisfied with the pace of reforms and agreed to the issuance of a public statement against Haiti asking members to consider the risk posed by Haiti. Plenary also agreed that Haiti must make sufficient progress and demonstrate such progress by the November 2016 Plenary. At the CFATF Plenary in November 2016, Haiti demonstrated that sufficient progress has been made through: the amended Law Sanctioning Money Laundering and Terrorist Financing (LSMLTF) by the Chamber of Deputies on September 9<sup>th</sup>, 2016 and by the Senate on September 28<sup>th</sup>, 2016; the enactment of the new UCREF law seeking to establish the *l'Unité Centrale de Renseignements Financiers* (Central Financial Intelligence Unit) (UCREF) as an autonomous administrative financial intelligence unit; and the publication in the National Gazette of the Decree establishing procedures for the implementation of measures aimed at freezing funds and other assets connected with the financing of terrorism.

Haiti is encouraged to continue the reform process including the passage of the legislative framework and continue addressing its AML/CFT deficiencies.

Haiti and the CFATF should continue to work together to ensure that Haiti's reform process is completed, by addressing its remaining deficiencies and continue implementing its Action Plan.



*Jurisdiction with strategic AML/CFT deficiencies that has made significant progress in addressing its deficiencies.*

**Suriname**

The CFATF acknowledges the significant progress made by Suriname in improving its AML/CFT regime and notes that Suriname has established the legal and regulatory framework to meet its commitments in its agreed Action Plan regarding the strategic deficiencies that the CFATF had identified. Suriname is encouraged to continue the reform process and CFATF ICRG has agreed that Suriname has met the criteria to enter into the process to exit CFATF ICRG.

*Jurisdiction no longer subject to the CFATF-ICRG review process.*

**Guyana.**

Guyana was placed in the CFATF's ICRG process in November 2011 and was publicly listed by the CFATF in May 2013. Since the FATF's adoption of Guyana's ICRG action plan in October 2014, Guyana has made significant progress on AML/CFT matters, including those items contained in the targeted review and action plan. On the basis of progress made, with Guyana substantially completing all its action plan items, the FATF Plenary meeting in October 2016 decided to allow Guyana to exit the FATF ICRG process.

Having made significant progress in improving its AML/CFT regime and adequately addressing the key AML/CFT deficiencies identified, the CFATF Plenary of November 2016 agreed that Guyana be removed from the CFATF ICRG process and therefore Guyana is no longer subject to monitoring by CFATF ICRG.

## **ENCLOSURE 4: FATF Public Statement and Compliance Document (October 21, 2016)**

The FATF Public Statement and the FATF Compliance Document dated 21 October 2016 relate to FATF Recommendation 21 and articles 11 and 13 of the AML/CFT State Ordinance in that they identify countries that fall into the following three categories:

### **A. FATF Public Statement**

#### Category One

Into this category falls the **Democratic People's Republic of Korea (DPRK)**. The FATF reaffirms its call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with DPRK, including DPRK<sup>1</sup> companies and financial institutions. In addition to enhanced scrutiny, the FATF calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from DPRK. FATF also urges and continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and to take into account ML/FT risks when considering requests by DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

#### Category Two

Into this category falls **Iran**. The FATF calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence to business relationships and transactions with natural and legal persons from Iran, consistent with FATF recommendation 19.

### **B. FATF Compliance Document**

#### Category Three

Into this category fall **Afghanistan, Bosnia and Herzegovina, Iraq, Lao PDR, Syria, Uganda, Vanuatu and Yemen**.

The Compliance Document outlines the specific areas of weaknesses and requests member jurisdictions to consider the information in the document.

### **C. Required action**

The purpose of this letter is to ensure that senior management of all regulated entities is informed of these important issues and to request that it emphasizes the importance of this communication to its compliance officer and inform its management team of the risks associated with business involving these jurisdictions.

In addition to this important awareness raising, the CBA requires that all regulated entities take the following specific actions with regard to the three categories of FATF listed countries:

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<sup>1</sup> Please note that with regard to DPRK, the FATF reaffirms its February 25, 2011 call on its members and urges to advise their financial institutions to give special attention to business relationships and transactions with DPRK companies and financial institutions.

Category One Action – the CBA requires all regulated entities to:

- a) Conduct review of their client base on an ongoing basis to identify relationships or transactions with any connection to the Category One countries.
- b) Report such relationships or transactions to the CBA immediately.
- c) Any relationship or transaction found must be rated ultra-high risk and may only be continued if the regulated entity is satisfied it can monitor and mitigate the risks associated with such business. If the regulated entity is not satisfied the relationship must be exited.
- d) Document its risk assessment and monitoring/mitigation strategy and have this document available should the CBA wish to evaluate it.
- e) Record the progress of compliance with this action (or otherwise) in the board minutes.

All regulated entities are required to strictly comply with aforementioned instructions. The CBA will verify during the supervisory examinations whether this is done. Note in this respect that non-compliance will be treated very seriously.

Category Two Action – the CBA requires all regulated entities to:

- a) Review their client base to identify relationships or transactions with any connection to the Category Two country by January 15, 2017.
- b) Any relationship or transaction found must be rated at least high risk, taking this new or other information held into account.
- c) Document its risk assessment and monitoring/mitigation strategy and have the document available should the CBA wish to evaluate it.
- d) Record the progress of compliance with this action (or otherwise) in the board minutes.

**DEADLINE:** Please conclude the review of your client base by January 15, 2017. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated time-frame. Non-compliance will be treated seriously.

Category Three Action – the CBA requires all regulated entities to:

- a) Review their client base to identify relationships or transactions with any connection to the Category Three countries by January 31, 2017.
- b) Re-evaluate its risk assessment of the relationship taking this new and any other information held into account.
- c) Document its risk assessment and monitoring/mitigation strategy and have the document available should the CBA wish to evaluate it.
- d) Record the progress of compliance with this action (or otherwise) in the board minutes.

**DEADLINE:** Please conclude the review of your client base by January 31, 2017. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated time-frame. Non-compliance will be treated seriously.

## ENCLOSURE 5: CFATF Public Statement (November 9, 2016)

### **A. Haiti**

By Public Statement of November 9, 2016, the CFATF calls on its members to consider the risks arising from the deficiencies associated with Haiti, as being considered as a jurisdiction with strategic AML/CFT deficiencies that has not made sufficient progress in addressing the deficiencies or has not complied with the Action Plan developed with the CFATF to address these deficiencies.

The CFATF undertook a High Level Mission (HLM) to the Republic of Haiti on Monday 27th of April 2015. Thereinafter, a letter from the CFATF Chair, was sent to Haiti on the 17th of September 2015, making reference that Haiti would remain in the second stage of enhanced of follow-up but would need to demonstrate progress. At the CFATF Plenary in November 2015, Haiti demonstrated some progress on non-legislative measures. Plenary determined that Haiti should remain in the status quo and demonstrate to the May 2016 Plenary substantial compliance with both non-legislative and legislative requirements. At the CFATF Plenary in June 2016, Haiti demonstrated that had taken steps towards improving its AML/CFT compliance regime with non-legislative actions, including providing training to FIU, Police officers, Prosecutors and Magistrates; and taking steps to join the Egmont Group. However, Plenary was not satisfied with the pace of reforms and agreed to the issuance of a public statement against Haiti asking members to consider the risk posed by Haiti. Plenary also agreed that Haiti must make sufficient progress and demonstrate such progress by the November 2016 Plenary. At the CFATF Plenary in November 2016, Haiti demonstrated that sufficient progress has been made through: the amended Law Sanctioning Money Laundering and Terrorist Financing (LSMLTF) by the Chamber of Deputies on September 9th, 2016 and by the Senate on September 28th, 2016; the enactment of the new UCREF law seeking to establish the *l'Unité Centrale de Renseignements Financiers* (Central Financial Intelligence Unit) (UCREF) as an autonomous administrative financial intelligence unit; and the publication in the National Gazette of the Decree establishing procedures for the implementation of measures aimed at freezing funds and other assets connected with the financing of terrorism.

Haiti is encouraged to continue the reform process including the passage of the legislative framework and continue addressing its AML/CFT deficiencies.

Haiti and the CFATF should continue to work together to ensure that Haiti's reform process is completed, by addressing its remaining deficiencies and continue implementing its Action Plan.

#### Required action

The purpose of this letter is to ensure that senior management of all regulated entities is informed of these important issues and to request that it emphasizes the importance of this communication to its compliance officer and informs its management team of the risks associated with business involving this jurisdiction.

In addition to this important awareness raising, the CBA requires that all regulated entities take the following specific actions with regard to Haiti:

- a) Review their client base to identify relationships or transactions with Haiti by **January 31, 2017**.
- b) Conduct enhanced due diligence on the identified relationships.

- c) Re-evaluate its risk assessment of the relationship taking this new and any other information held into account.
- d) Document its risk assessment and monitoring/mitigation strategy and have the document available should the CBA wish to evaluate it.
- e) Record the progress of compliance with this action (or otherwise) in the board minutes.

**DEADLINE:** Please conclude the review of your client base by **January 31, 2017**. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated time-frame. Non-compliance will be treated seriously.

## **B. Suriname**

The CFATF considers Suriname as a jurisdiction with strategic AML/CFT deficiencies that has made significant progress in addressing these deficiencies.

The CFATF acknowledges the significant progress made by Suriname in improving its AML/CFT regime and notes that Suriname has established the legal and regulatory framework to meet its commitments in its agreed Action Plan regarding the strategic deficiencies that the CFATF had identified. Suriname is encouraged to continue the reform process and CFATF ICRG has agreed that Suriname has met the criteria to enter into the process to exit CFATF ICRG.

### **Required action**

Notwithstanding the progress made by Suriname, all regulated entities must continue to undertake enhanced due diligence on higher risk transactions with persons and entities from Suriname until the reform process has been completed to the full satisfaction of the CFATF.

## **ENCLOSURE 6: Regulatory framework**

Pursuant to Article 11 of the AML/CFT State Ordinance, financial and trust service providers must perform enhanced customer due diligence, if and when a business relationship or a transaction by its nature entails a higher risk of money laundering or terrorist financing. The enhanced customer due diligence shall be carried out both prior to the business relation or the transaction, as during the business relationship in any case with natural persons, legal persons, trusts, and comparable entities that originate from countries or jurisdictions which do not or insufficiently apply the internationally accepted standards for the prevention and combating of money laundering and terrorist financing.

Pursuant to Article 13, paragraph 1, subsection a, of the AML/CFT State Ordinance, financial and trust service providers must pay special attention to business relationships and transactions with natural persons, legal persons, trusts, and comparable entities originating from countries or jurisdictions that do not or insufficiently comply with the internationally accepted AML/CFT standards.

According to Article 13, paragraph 2, of the AML/CFT State Ordinance if a financial or trust service provider can reasonably suspect that, amongst others, a transaction with a natural person, legal person, trust or a comparable entity originating from a country or jurisdiction as meant in the first paragraph, does not have an apparent economic or legal purpose, it must investigate the background and the purpose of this transaction and record its findings in writing. These findings must be kept for at least ten years pursuant to Article 13, paragraph 3, of the AML/CFT State Ordinance.

Article 13 of the AML/CFT State Ordinance is related to Recommendation 21 of the Financial Action Task Force (FATF)<sup>2</sup> which states:

*“Financial institutions should give special attention to business relationships and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply the FATF Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help competent authorities. Where such a country continues not to apply or insufficiently applies the FATF Recommendations, countries should be able to apply appropriate countermeasures”.*

Furthermore, pursuant to section 3.12.2, subsection 148, of the AML/CFT Handbook, it is a regulatory requirement that a financial and trust service provider must treat countries and jurisdictions listed in the FATF statements (circulated by the CBA), which highlight jurisdictions which do not or insufficiently, apply the FATF Recommendations or which are the subject of international countermeasures, as countries and jurisdictions that do not or insufficiently apply the internationally accepted AML/CFT standards.

Pursuant to section 5.2, subsection 13, of the AML/CFT Handbook, it is a regulatory requirement that a financial and trust service provider must, as part of its on-going customer due diligence (CDD) procedures, establish appropriate customer activity and transaction monitoring procedures that scrutinize the activity and transactions of its customers. The monitoring procedures must include those, amongst others, which provide for the identification and scrutiny of business relationships and transactions

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<sup>2</sup> On February 16, 2012 the FATF published the revised FATF Recommendations which can be found on the website of FATF: [www.fatf-gafi.org](http://www.fatf-gafi.org). However, the jurisdictions mentioned in the FATF Public Document and Compliance Document of February 16, 2012 have been reviewed based on the prior FATF Recommendations. Therefore, specific references made to the FATF Recommendations refer to the prior recommendations.

connected with jurisdictions which do not or insufficiently comply with the international AML/CFT standards, including but not limited to the FATF Recommendations.

Pursuant to chapter 8, paragraph 8.5 subsection 21 of the AML/CFT Handbook, it is a regulatory requirement that a financial and trust service provider must keep adequate and orderly records containing the findings of reviews of activity and transactions connected with jurisdictions which do not, or insufficiently, apply the FATF Recommendations for a period of at least ten years from the date the business relationship ends, or, if in relation to an occasional transaction, for at least ten years from the date that the transaction was completed.