INTRODUCTION

Aruba has a solid and reputable financial system. This, together with its political and economic stability, may also attract criminals who want to launder their money for tax evasion. To avoid your business getting caught up unknowingly in such criminal activities, you must protect yourself sufficiently!

Don’t become a victim of money laundering or terrorist financing schemes. By protecting yourself, you are not only standing up for your business, but also doing your part for Aruba, ensuring a safe and sound financial system and a fair society that complies with international standards.

AML/CFTs are required to register their business with the Central Bank of Aruba (CBA) because the implementation of the Financial Intelligence Unit Aruba (FIU-Aruba).

The CBA supervises compliance with the AML/CFT Act. The CBA can visit businesses’ premises, announce or unannounced, and require businesses to provide information, e.g., via a questionnaire or during an interview. In case of noncompliance, the CBA may take enforcement action, e.g., by imposing a fine or seizing violation of the attention of the Public Execution Office.

To help AML/CFTs act in accordance with the AML/CFT Act, the CBA has developed this brochure titled “How to build a robust system against Money Laundering and Terrorist Financing in 5 Steps”.

Note that this brochure is for information purposes only. It presents ways of companies and the AML/CFT Act and is not a substitute for talking with an AML/CFT professional. In case of doubt, please contact the AML/CFT professional for legal advice or guidance and support.

AML/CFT: Anti-Money Laundering/Combating Financing of Terrorism

STEP 1 HOW TO BUILD AN AML/CFT FRAMEWORK

Conduct a risk assessment

- Conduct and document a money laundering and terrorist financing risk assessment (as “RAA ML/TF”).
- On the basis of this assessment, a CEPF can determine how subordinate its activities are to the threats of money laundering and terrorist financing.

Build your policies, procedures, and measures

- All CEPFs should have documented policies and procedures regarding anti-money laundering and anti-terrorist financing tailored to their business and based on the aforementioned risk assessment. The policies and procedures should, for example, determine how to conduct Customer Due Diligence and the submission of reports to the Financial Intelligence Unit Aruba (FIU-Aruba).

Appoint a Money Laundering Compliance Officer and Money Laundering Reporting Officer

- The law requires appointment of a Money Laundering Compliance Officer (MLCO) and a Money Laundering Reporting Officer (MLRO). The MLCO may be outsourced to a professional third party (e.g., a consultant or legal advisor), however, the MLRO must be appointed internally.

Training

- Management and staff should participate in regular AML/CFT training programs. Management and staff members should be fully aware of the AML/CFT requirements in Aruba and understand their roles and responsibilities.

STEP 2 WHEN TO REPORT UNUSUAL TRANSACTIONS

Detect and report unusual transactions to the FIU-Aruba.

Transactions are considered “unusual” in case of:

- A non-cash transaction (i.e., bank transfer) of AR. 50,000 or more.
- A cash transaction of AR. 25,000 or more. In the case of cash, the amount is AR. 5,000 or more.
- A transaction that may relate to money laundering:
  - A transaction that may relate to terrorism financing:
  - A transaction that has been reported to the police or the other authorities;
  - A transaction made by or on behalf of a natural person, legal entity, group, or entity established in countries or territories indicated by the Sanctions Ordinance 2006.

The aforementioned applies not only to transactions that have been carried out, but equally to intended transactions.

STEP 3 CONDUCT CUSTOMER DUE DILIGENCE

The AML/CFT State Ordinance determines when a DNFBP should conduct “Customer Due Diligence” on a client (section 6).

That is the case if:

- A business relationship is established or from Aruba with or without a view to the risk of money laundering or terrorist financing.
- If there are indications that the client is involved in money laundering or terrorist financing.
- If doubts exist regarding the soundness or reliability of data obtained previously from the client.
- If the risk of involvement of an existing client in money laundering or terrorist financing gives reason to do so.

Furthermore, for some categories of DNFBPs, specific circumstances exist that require also performing Customer Due Diligence. These circumstances are determined in section 6, paragraph 2, of the AML/CFT State Ordinance:

Accountant, lawyer, notary, and tax advisor:

- The purchase and sale of registered objects, as well as the rights to which these objects can be subjected;
- The management of money, securities, or other asset companies;
- The management of banks, savings, or securities accounts;
- The organization of contributions for the creation, operation, or management of companies;
- The creation, operation, management of legal persons or similar legal entities; and the purchase and sale of businesses.

Casing:

- The purchase and sale of cash transactions with a value of AR. 5,000 or more.

Car dealer and jeweler:

- The performance of cash transactions with a value of AR. 25,000 or more.

Real estate company:

- The purchase and sale of registered objects, as well as the rights to which these objects can be subjected.

Trust service provider:

- The performance in or from Aruba of the following activities:
  - To act as a founder of legal persons;
  - To act as a founder or director of a limited liability company, corporation, or partnership, or another legal person of the same type;
  - To act as a manager of a trust or a similar legal entity;
  - To act as a trustee;
  - To act as a shareholder of a company.
**STEP 4 HOW TO CONDUCT CUSTOMER DUE DILIGENCE**

Customer Due Diligence should always be conducted before rendering services, as well as throughout the rendering of the services. In any case, no business relationship may be entered into an incidental transaction be carried out before conducting proper Customer Due Diligence. The Customer Due Diligence needs to be documented:

- **Identification and verification**
  - Identify and verify the identity of the client (e.g., by passport).
  - In case the client is a legal entity (e.g., a company), the ultimate beneficial owner(s) of the legal entity must also be identified.

- **Purpose and nature of the business relationship**
  - Determine the purpose and intended nature of the business relationship. Stay alert at all times and critically ask yourself: Does it make sense for the client to use my business? Is the world that it requests to access reasonable and understandable? Does the client cooperate by answering questions regarding the background of the relationship of the incidental transaction?

- **Screen your client**
  - Check if your client is from a country, an independent country, or is the client in such a country to which it should be added, or of your customer (for example, with DIP Hispanic, for example.
  - Check if the client is a politically exposed person (PEP).
  - Check if the client’s name is on any Sanctions list.
  - Conduct ongoing monitoring of the business relationship and transactions. Keep a close eye on changes in the business relationship or unusual behavior of the client, such as business requests that do not fit the customer’s regular behavior.
  - In case of high risk, conduct a balanced Due Diligence by performing additional background checks, for example, by determining the client’s source of wealth and source of income.

- **Do you consider the risks too high or is your (potential) client unwilling or reluctant to cooperate? Then you should not proceed in doing business with the (potential) client.**

---

**STEPS 5 HOW TO KEEP RECORDS AND EVALUATE THE AML/CFT FRAMEWORK**

- Keep records
  - Document and keep all Customer Due Diligence and transaction information for at least 10 years after:
    - The date of termination of the business relationship;
    - The date of carrying out the transaction.

- Evaluate
  - Conduct a periodic independent assessment of your AML/CFT framework;
  - If you detect any gaps or deficiencies, remediate them as soon as possible.

---

**HOW TO PROTECT YOUR BUSINESS AGAINST MONEY LAUNDERING AND TERRORIST FINANCING**

This brochure is relevant to you if your business falls into the category of Designated Non-Financial Businesses and Professionals (DNFBPs).

DNFBPs include the following businesses and professions:
- Accountants
  - Jewellers
- Car dealers
  - Real Estate Companies
- Cashiers
  - Tax Advisors
- Lawyers
  - Trust Service Providers
- Notaries

---

For more information and for consulting the AML/CFT State Ordinance, the CBA refers you to the following websites:

- [https://www.cbaruba.org](https://www.cbaruba.org)
- [https://www.cbaruba.org/AMLCTF](https://www.cbaruba.org/AMLCTF)
- [https://www.cbaruba.org/Sanctions](https://www.cbaruba.org/Sanctions)