



CENTRALE BANK VAN ARUBA

April 12, 2016

To the Managements of all
designated non-financial service providers.

CMB/pjj/1.13/INT/4693

Subject: CFATF Public Statement on Suriname

Dear Management,

With due regard to the requirements set out in the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing (*Landsverordening voorkoming en bestrijding witwassen en terrorismefinanciering*, AB 2011, no. 28) (AML/CFT State Ordinance) the Centrale Bank van Aruba (CBA) urges the designated non-financial service providers, hereafter referred to as service providers, to take duly notice of the information contained in this letter and the required follow-up actions that need to be taken.

Pursuant to Article 11 of the AML/CFT State Ordinance, 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, 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 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 on Money Laundering (FATF)¹ 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".

¹ On February 16, 2012 the FATF published the revised FATF Recommendations which can be found on the website of FATF: www.fatf-gafi.org. However, the jurisdictions mentioned in the FATF Public Document and Compliance Document of October 19, 2012 have been reviewed based on the prior FATF Recommendations. Therefore, specific references made to the FATF Recommendations refer to the prior recommendations.

Please note that aforementioned FATF Recommendation 21 also applies to designated non-financial service providers (reference is made to FATF Recommendation 16).

The purpose of this letter is to draw your attention to the Public Statement of the Caribbean Action Task Force (CFATF) dated November 25, 2015 (enclosure 1).

In this public statement the CFATF has determined that Suriname has failed to make sufficient progress in addressing its significant strategic AML/CFT deficiencies, including certain legislative reforms. If Suriname does not take specific steps by May 2016, then the CFATF will identify Suriname as not taking sufficient steps to address its AML/CFT deficiencies and will take the additional steps of calling upon its Members to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Suriname, and at that time CFATF will consider referring Suriname to the FATF.

Required actions

The purpose of this letter is to ensure that senior management of service providers 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 these jurisdictions.

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

- a) Review their client base to identify relationships or transactions with Suriname by **May 9, 2016**.
- 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 **May 9, 2016**. 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.

Furthermore, service providers should consider their obligations to report unusual transactions to the MOT.

Finally, please note that this letter relating to money laundering and terrorist financing matters, is also placed under the link "Supervision", titled "(C)FATF" on the CBA's website www.cbaruba.org.

If you have any questions or comments regarding this letter, please contact Mrs. L. Buckley of the Integrity Supervision Department at telephone number (297) 5252-219 or by e-mail, l.buckley@cbaruba.org.

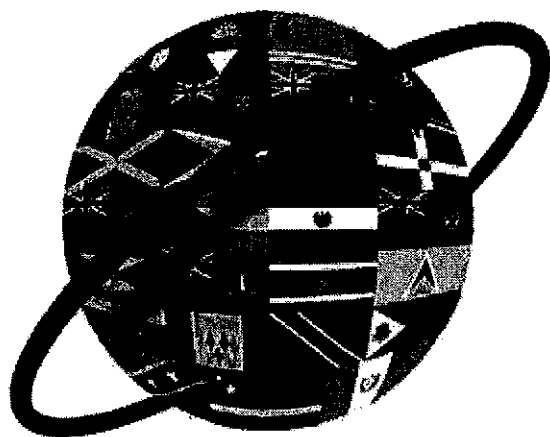
Sincerely yours,


Centrale Bank van Aruba



Enclosure: 1

CFATF



GAFIC

CARIBBEAN FINANCIAL
ACTION TASK FORCE

CFATF PUBLIC STATEMENT

Port of Spain, Trinidad and Tobago

25th of November – 2015

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Port of Spain, Trinidad and Tobago, November 25th, 2015. - The Caribbean Financial Action Task Force (CFATF) is an organization of twenty seven jurisdictions of the Caribbean Basin Region, which has 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.

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

Suriname

A High Level Mission was undertaken in relation to Suriname on the 27th and 28th of February, 2012. Since then, there has been slow progress in the implementation of the necessary amendments required to become fully compliant. Therefore, in November 2014, the CFATF brought to the attention of its Members regarding Suriname, the significant strategic deficiencies in their AML/CFT regime. With a view to encouraging expeditious rectification of the identified strategic deficiencies, the CFATF in conjunction with Suriname, developed an Action Plan with identified target dates to address the strategic deficiencies that existed in its national architecture to combat money laundering and the financing of terrorism. Suriname has taken steps towards improving its AML/CFT compliance regime including improvements in the criminalization of money laundering and terrorist financing, and strengthening its customer due diligence requirements. However, the CFATF has determined that Suriname has failed to make sufficient progress in addressing its significant strategic AML/CFT deficiencies, including certain legislative reforms.

If Suriname does not take specific steps by May 2016, then the CFATF will identify Suriname as not taking sufficient steps to address its AML/CFT deficiencies and will take the additional steps of calling upon its Members to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Suriname, and at that time CFATF will consider referring Suriname to the Financial Action Task Force (FATF).