



# **Supervision & enforcement by the CBA**

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# Contents presentation



- I. General
- II. Supervisory regime
- III. Key defenses against ML/TF
- IV. Authority of the CBA – obligation of the sector
- V. Enforcement



# 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?



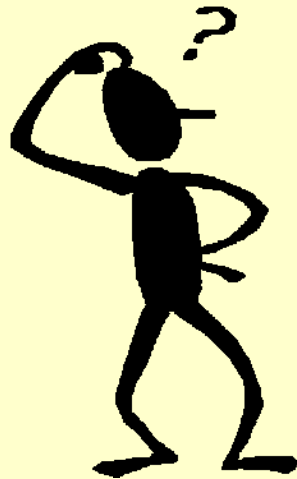
Comply!



Implement



Minimize Risks





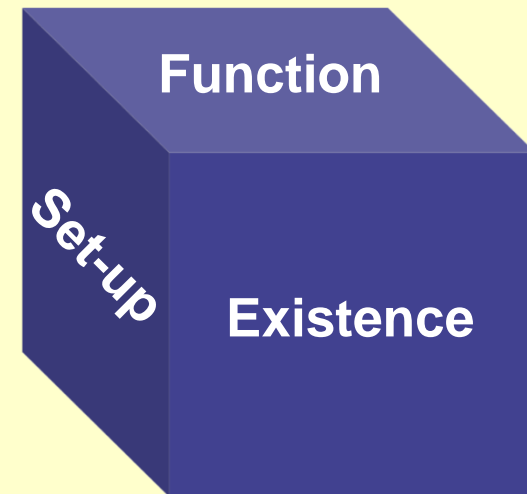
### III. AML/CFT Defenses



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)



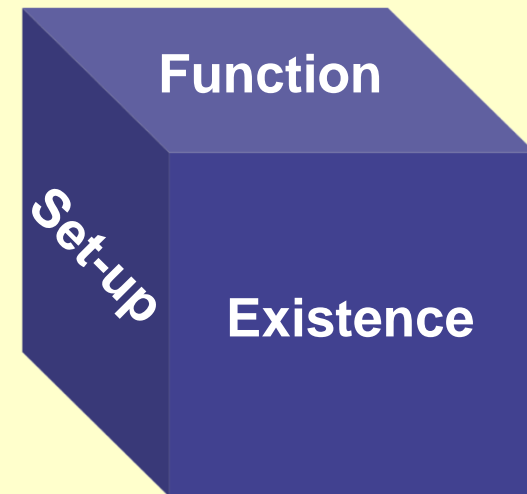
### III. AML/CFT Defenses



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



### 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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## IV. CBA authority vs. sector obligations



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.





## IV. CBA authority vs. sector obligations



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



CENTRALE BANK VAN ARUBA

September 15, 2011

21



## Questions?

