



To: Financial Institutions

From: The Supervisory Authority

Dated: 6th March, 2017

ADVISORY

TAKE NOTICE that Regulation 6(1a) of the Money Laundering (Prevention) Regulations 2007¹ sets out the following requirements and countermeasures relating to AML/CFT weaknesses in foreign jurisdictions that do not or insufficiently apply AML/CFT international standards:

“6(1a) (1) [A financial institution] must pay special attention to business relationships and transactions with persons from or in countries which [the financial institution] knows or has reason to believe insufficiently apply international standards against money laundering or the financing of terrorism.

(2) If the Supervisory Authority notifies [a financial institution] that a country has weaknesses in its AML/CFT systems, then [the financial institution] must pay special attention to business relationships and transactions from or in that country.

(1b) Where transactions have no apparent economic or visible lawful purpose, [the financial institution] should examine as far as possible the background and purpose of such transactions, and written findings should be kept as a financial transaction document.

(1c) [A financial institution] should adhere to any countermeasures that the Supervisory Authority or the regulator advises should be implemented.”

THE ATTENTION of financial institutions is therefore drawn to the following:

The advisory of the CFATF in the “CFATF Public Statement” dated November 9th, 2016 relating to jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies, jurisdictions with strategic AML/CFT deficiencies that have made significant progress in addressing the deficiencies and jurisdictions no longer subject to the CFATF-ICRG review process. A copy of the Public Statement is attached and forms part of this advisory. Take note of the removal of Guyana from the CFATF monitoring process.

¹ Amended by section 7(6) of the Money Laundering (Prevention) (Amendment) Regulations 2009

(2)

Countermeasures: Financial institutions should carefully consider this advisory when determining whether to establish a relationship with a third party or when determining whether to continue an established relationship with a third party on whom it is proposed to rely for elements of customer due diligence.

A handwritten signature in black ink, appearing to read "Croft", is written over a horizontal dashed line.

Lt. Col. Edward Croft
The Supervisory Authority
under the Money Laundering
(Prevention) Act 1996



CFATF - Public Statement – Providenciales, Turks and Caicos, November 9th, 2016

Providenciales, Turks and Caicos Islands 9th 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 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.



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.