

CFATF Mutual Evaluation Process

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Progress: Mutual Evaluation Report

- **Onsite Visit (11-22 February 2008)**

- **Draft Reports**
 - Response by Territory
 - Dialogue between CFATF and Territory

- **Finalization of MER**
 - Plenary/Ministerial
 - Key Issues Table
 - Debate on floor of Plenary
 - Five (5) upgrades
 - Approval for Publication

Progress: Mutual Evaluation Report (cont'd)

Contents of MER

Rating	Compliant	Largely Compliant	Partially Compliant	Non Compliant
Number	18	15	15	1

- Progress Reports to CFATF
 - Every Two years
 - Every Plenary

Major Findings: Mutual Evaluation Report

- **Criminalization of Market manipulation and insider trading**
- **Training/Resources of Law Enforcement Agencies**
- **Inadequate Onsite Inspection Coverage by FSC**
- **CDD Measures for person purporting to act on behalf of others**

Major Findings: Mutual Evaluation Report (cont'd)

- **No requirement for a financial institution to immediately obtain from all third parties necessary information concerning certain elements of the CDD process itemized in criteria 5.3 to 5.6 (beneficial ownership information)**
- **Complex, unusually large transactions or unusual patterns of transaction without apparent economic value**

Major Findings: Mutual Evaluation Report (cont'd)

- **Inadequate and non-dissuasive sanctions**
- **Lack of passage of the Financing and Money Services Act (FMSA)**
- **No effective supervision or assessment of potential vulnerabilities of NPOs and DNFBPs**

Implementation of Findings

Role of Government/FSC

- **Amended Anti-Money Laundering and Terrorist Financing Code of Practice**
- **Amended Anti-Money Laundering Regulations**
- **Amended Proceeds of Criminal Conduct Act**
- **Passage of FMSA**
- **Order Under the CJ (IC) Act to cover prohibited chemicals**

Implementation of Findings (cont'd)

- **Finding:** Criminalisation of market manipulation and insider trading
- **Action:** Included in draft SIBA

Implementation of Findings (cont'd)

- **Finding:** Prohibition of certain scheduled chemicals under the Vienna Convention
- **Action:** Criminal Justice (International Cooperation) (Amendment of Schedule 2) Order, 2009

Implementation of Findings (cont'd)

- **Finding:** CDD measures for person purporting to act on behalf of others Application of simplified measures to customers resident in countries effectively implementing FATF Recommendations
- **Action:** Section 19 of AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Adoption of relevant risk management processes and procedures prior to effecting verification (where business relationship already established)
- **Action:** Section 23 of the AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Prevention of the misuse of technological developments in money laundering and terrorist financing
- **Action:** New section 11A inserted in the AMLTFCOP

Implementation of Findings (cont'd)

- **Finding:** Establishing policies and procedures to deal with specific risks associated with non-face to face business relationships /transactions
- **Action:** Section 13 of AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Requirement for financial institutions to immediately obtain from all third parties necessary information concerning certain elements of the CDD process itemized in criteria 5.3 to 5.6 (beneficial ownership information)
- **Action:** No action taken.

Implementation of Findings (cont'd)

- **Finding:** Retention period of record of identification data with respect to transactions of accounts to be restricted to the termination of the accounts
- **Action:** Regulation 10 (1) of the AMLR amended

Implementation of Findings (cont'd)

- **Finding:** Maintaining account files and business correspondence for a period of five years following termination of account/business relationship
- **Action:** Sections 44 and 45 of AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Requirement to examine background and purpose of complex, unusual large transactions or patterns of transaction with no apparent or visible economic value or lawful purpose and to set findings in writing and make them available to authorities
- **Action:** Section 13 of the AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Tipping off offence to extend to cover period of transition (when report is being made to the FIA)
- **Action:** Section 31 (2) (a) of PCCA amended

Implementation of Findings (cont'd)

- **Finding:** Requirement to maintain adequately resourced and independent audit function to test compliance with AML/CFT policies and procedures
- **Action:** Section 11 of AMLTFCOP amended

Implementation of Findings (cont'd)

- **Finding:** Inadequate and non-dissuasive sanctions in AMLR and AMLTFCOP
- **Action:** PCCA amended (specifically sections 27, 28, 29, 30, 30A, 31, 36 and 41)

Implementation of Findings (cont'd)

- **Finding:** Requirement for measures to advise on weaknesses of AML/CFT systems of other countries
- **Action:** Section 52 of AMLTFCOP revoked and substituted

Implementation of Findings (cont'd)

- **Finding:** Requirement to register /licence persons that perform money or value transfer services
- **Action:** Financing and Money Services Bill received First Reading in House of Assembly

Implementation of Findings (cont'd)

- **Finding:** Requirement for entities to pay particular attention that consistent AML/CFT measures are observed in relation to their branches and subsidiaries in jurisdictions that do not or insufficiently apply FATF Recommendations, including when such branches and subsidiaries are unable to observe AML/CFT measures because of prohibitions in the host jurisdictions
- **Action:** Section 53 of AMLTFCOP amended

Further Legislative Reforms

- Appointment of Money Laundering Reporting Officer
- Streamlining definitions in AMLR and AMLTFCOP
- Providing further clarification on the AML/CFT regime in relation to NPOs and providing Best Practice Rules
- Providing further clarification on and expanding the scope of outsourcing

Further Legislative Reforms (cont'd)

- Clarifying and simplifying the reporting requirement under section 18 of the AMLTFCOP
- Acceptance of wire transfer information from a recognized jurisdiction as satisfying identification and verification requirements of the AMLTFCOP
- Periods for updating CDD information in section 31 of AMLTFCOP streamlined with periods outlined in section 21 thereof

Implementation of Findings

Role of the Private Sector

- Review Report
- Train Staff
- Make Suggestions
- Become more than familiar with Provisions of AMLCOP and AMLR (and amendments)