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Financial Intelligence Unit

Circular

Caribbean Financial Action Task Force (CFATF) Public Statement of November 27, 2019 St Johns, Antigua and Barbuda

On November 27, 2019 the Caribbean Financial Action Task Force (CFATF), the organization of twenty-five 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) issued the following *Public Statement*:

Jurisdiction with strategic AML/CFT deficiencies that has not made sufficient progress in addressing the deficiencies. The CFATF calls on its members to consider the risks arising from the deficiencies associated with the jurisdiction, as described below.

Sint Maarten

The CFATF recognizes the progress made by Sint Maarten to date in addressing the deficiencies identified in its Mutual Evaluation Report. However, the CFATF is concerned by Sint Maarten's failure to address remaining deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime after the High-Level Mission that visited the country on August 24th, 2018 and the Plenary's requirement to overcome such deficiencies by February 2019, which has not been achieved as verified at the CFATF May and November 2019 Plenary meetings.

The CFATF urges Sint Maarten to immediately address its AML/CFT deficiencies including bringing the necessary outstanding legislation into force and effect. In the event of failure to act on this requirement, the CFATF may call its member jurisdiction to apply countermeasures on the country as set out in the procedures for the third stage of Enhanced Follow-Up, which entails the application of Rec. 21 of the FATF Standards of 2003, in order to protect their financial systems from the ongoing ML and TF risks emanating from Sint Maarten.

The CFATF LI Plenary will review if additional progress has been made by Sint Maarten.

A copy of the CFATF's statement of November 27, 2019 can also be viewed via the CFATF website at <http://www.cfatf-gafi.org>.

Reporting entities should take into account the significant progress made by Haiti when considering whether a particular transaction should be reported to the Financial Intelligence Unit (FIU) as a suspicious transaction under Section 18(4) of the Anti-Money Laundering and

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Countering the Financing of Terrorism (AMLCFT) Act 2009. Where a transaction is reportable under Regulation 12 of Regulations 2010 made under the AMLCFT Act as a threshold transaction, reporting entities should remember that a suspicious transaction report may be required in addition to the threshold report, where grounds for suspicion exist.

Note:

The information contained in this document is intended only to provide a summary and general overview on these matters. It is not intended to be comprehensive. It does not constitute, nor should it be treated as, legal advice or opinions.

Rec. 21 of the FATF Standards of 2003 now Rec. 19 of the FATF Standards of 2012 states as follows:

Higher-risk countries

Financial institutions should be required to apply enhanced due diligence measures to business relationships and transactions with natural and legal persons, and financial institutions, from countries for which this is called for by the FATF. The type of enhanced due diligence measures applied should be effective and proportionate to the risks.

Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks.