



CARIBBEAN
FINANCIAL ACTION
TASK FORCE

Fourth Follow-Up Report

Haiti

December 2012

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HAITI: FOURTH FOLLOW-UP REPORT

I. INTRODUCTION

1. This is Haiti's fourth follow-up report. The Jurisdiction has shown some improvement but the majority of the Recommendations continue to be outstanding. In anticipation of the enactment of the Money Laundering and Terrorist financing Act, Plenary is being asked to allow Haiti an additional six (6) months to enact this law.
2. Haiti received ratings of PC or NC on fourteen (14) of the sixteen (16) Core and Key Recommendations as follows:

Rec.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
Rating	NC	PC	PC	NC	LC	NC	NC	PC	NC	LC	PC	NC	NC	NC	NC	NC

3. With regard to the other non-core or key Recommendations, Haiti was rated partially compliant and non-compliant, as follows:

Partially Complaint	Non-Compliant
R.2 (Money laundering offence)	R.6 (Politically exposed persons)
R.15 (Internal controls and compliance)	R.7 (Correspondent banking)
R.18 (Shell banks)	R.8 (New Technologies and non-face-to-face banking)
R.27 (Law enforcement authorities)	R.9 (Third parties and business introducers)
R.28 (Powers of competent authorities)	R.12 (DNFBPs 6, 8-11)
R.29 (Supervisors)	R.16 (DNFBPs 13-15 & 21)
R.31 (National cooperation)	R.17 (Sanctions)
R.38 (Mutual legal assistance on confiscation an freezing)	R.20 (Other non-financial businesses and professions and secure transaction techniques)
SR.IX (Reporting/communication of cross border transactions.	R.21 (Special attention for higher risk countries)
	R.22 (Foreign Branches and subsidiaries)
	R.24 (DNFBPs regulation supervision and monitoring)
	R.25 (Guidelines and feedback)
	R.30 (Resources, integrity and training)
	R.32 (Statistics)
	R.33 (Legal persons – beneficial owners)
	SR.VI AML/CFT requirements for money/value transfer services
	SR.VII (Wire transfer rules)
	SR.VIII (Non-profit organizations)

4. The following financial information table is intended to assist in providing insight into the level of risk in the main financial sector in Haiti.

Size and integration of the jurisdiction's financial sector (As of February, 2012)

		Banks	Other Credit Institutions*	Securities	Insurance	TOTAL
Number of institutions	Total #	9	144	1	11	224
Assets	US\$	3 782 324 400	195 722 485**	N/A	N/A	
Deposits	Total: US\$	3 275 675 970	90 521 649.35**	N/A	N/A	
	% Non-resident	0.74%	0%**	N/A	N/A	
International Links	% Foreign-owned:	0%	0%**	N/A	N/A	% of assets
	#Subsidiaries abroad	5	0**	0	0	5

**these amounts concern only 141 microfinance institutions

II. SUMMARY OF PROGRESS MADE BY HAITI

- Haiti's matrix was received at the Secretariat on September 14 without an updated financial information table. In July of 2012 the Jurisdiction's Executive introduced the Bill on ML and TF to the Parliament. The Bill on banks, which was voted in March 2012 was enacted on May 14, 2012 and is now law. On July 1, 2012 Banque de la République d'Haïti (BRH) issued Circulars 99 and 100 aimed at commercial banks and savings and mortgage banks. The Detailed Assessment Report had noted at paragraph 284 that such circulars are binding in nature and may form the basis for imposing sanctions in the event of noncompliance.

Core Recommendations

Recommendations 1, 5, 10, 13, SRII and SRIV

- The legislative provisions required to cure the deficiencies for the Core Recommendations are the subject of the Bill on Money Laundering and Terrorist Financing. For **Recommendation 5** however circular #99 has addressed the recommended action requiring the collection of information on the nature and intended purpose of the business relationship. At part 1 "*Required Identification Information*", commercial banks and savings and mortgage banks are advised that identification also relates to the purpose and intended nature of the business relationship. Haiti has proffered that part 8 of circular #99 has addressed the issues relating to the updating of information. This part of the circular however only refers to identity information and does not in any way address the type of documentation, data or information that is required to be kept up-to-date by financial institutions nor is there a requirement for all transactions to be scrutinized in order for records to be kept up to date. Finally, whilst part 8 has mandated a frequency period of two (2) years for updates for "High risk situations" there is no period noted for lower risk categories of customers or business relationships.
- The recommended action that Haiti should "*Implement a risk management approach for the highest risks*" has been addressed through Circular 100. At part 4, which is concerned with Risk Assessment, there is the requirement for the

prevention and compliance program to include a money laundering and terrorist financing risk assessment which covers the monitoring of financial transactions that pose higher risk. Risk mitigation measures must also be included in policies and procedures and banks must take reasonable steps to ensure continuous monitoring of financial transactions that pose a high risk for money laundering and terrorist financing. This specific gap is *closed*.

8. **For Recommendation 13** Haiti has reported that the jurisdiction has put a great emphasis suspicious transaction reporting through seminars and awareness sessions. UCREF has received 42 suspicious reports for 2010-2011, 38 suspicious reports for 2011-2012 and 21 suspicious reports for the first quarter of this 2012.

Key Recommendations

9. **Recommendation 3** is the subject of the Bill on Money Laundering and Terrorist Financing.
10. At **Recommendation 4**, the law governing Banks and other financial institutions has addressed the bank secrecy deficiency noted in the MER. According to Article 179 of this law, professional secrecy cannot be used where the BRH, UCREF or any other entity is acting within an investigation involving assets in relation to ML or TF or to the Judiciary authorities acting within the framework of a penal procedure. This clearly closes the gap noted by the Examiners.
11. For **Recommendation 23**, Article 28 of the Law governing banks and other financial institutions has addressed the requirement to “Strengthen the obligations of integrity and competence for the entire financial sector” by mandating that no person can hold a senior position in a bank i.e. Board of directors, manager, member of a committee of the Board, or to be an account signatory if such a person falls into any of the categories of persons listed at article 28 sub 1-7. This Recommendation is now *closed*.
12. **Recommendation 26** is the subject of the Bill on Money Laundering and Terrorist Financing.
13. **Recommendation 35** is the subject of of the Bill on Money Laundering and Terrorist Financing which is currently before Haiti’s Lower Chamber. Haiti has also held a two (2) day retreat to sensitize parliamentarians on the importance of supporting anti-corruption legislation for the Jurisdiction. At the end of the retreat the Parliamentarians committed to supporting the upcoming anti-corruption bill.
14. At **Recommendation 40** Haiti has reported that as the BRH is the only supervisory body for the financial sector, article 98 of the Law governing banks and other financial institutions enables it to cooperate with a foreign supervision institution towards exchanging information.
15. **Special Recommendation I** is the subject of of the Bill on Money Laundering and Terrorist Financing.
16. **Special Recommendation III** is the subject of of the Bill on Money Laundering and Terrorist Financing.
17. For **Special Recommendation V** the comments for Recommendation 40 are also relevant here whilst the recommended action to *“expand the existing mechanism for extradition to include the offence of terrorist financing, once it has been*

criminalized” is the subject of of the Bill on Money Laundering and Terrorist Financing.

Other Recommendations

18. **Recommendations 2, 7, 9, 12, 16, 17, 18, 20, 21, 24, 27 SRIX** are the subject of the Bill on Money Laundering and Financing of Terrorism
19. For **Recommendation 6**, the recommended action that Haiti *Institute requirements of enhanced diligence toward politically exposed persons* has been partially addressed through part 3 of Circular 100. The outstanding requirements are related to the fact that the Circular makes no provisions for senior management approval for establishing PEP business relationships; no requirement for senior management approval to continue the business relationship where the customer or beneficial becomes a PEP subsequent to the establishment of the business relationship; and no requirement for enhanced ongoing monitoring of the PEP relationship.
20. At **Recommendation 8**, part 1.2 of Circular 99 requires banks to identify and assess the risk of ML that could arise from development of new products and new businesses practices and from the use of new or developing technologies related to new or existing products. The requirements here has been partially addressed in that, there are no obligations towards TF; they do not address non-face to face transactions outside of the electronic establishment of an account.
21. For **Recommendation 15**, Haiti has advanced part 6, Internal Control Procedures, of Circular 100 as addressing the recommended actions made by the Examiners; however the provisions noted appear inherently concerned with audit functions. Relative to the recommended action that Haiti *“Adopt stronger administrative sanctions as a way to enhance the effectiveness of internal control obligations”*, Haiti has put forward article 109 of the law governing Banks and other financial institutions as satisfying this recommended action and further noted that circular 89 of April 1998 contained provisions on internal controls. It must be noted however that circular 89 pre-dated Haiti’s onsite and at paragraph of the DAR the Assessors had noted that the said circular *“Does not contain any specific provisions on the fight against money laundering and terrorist financing”*.
22. At **Recommendation 22** Haiti has advanced part 5 of Circular 100 as satisfying the recommended action that there be established *“obligations aimed at the foreign branches and subsidiaries of Haitian financial institutions, relative to their capacity to implement satisfactory anti-money laundering mechanisms in their host country”*. This part however is concerned with enhanced due diligence and does not in any way address the recommended action.
23. For **Recommendation 25**, the BRH has issued guidelines for MSBs and the credit unions. The other recommended actions have however not as yet been taken on board.
24. No updated action was reported for **Recommendation 28**.
25. With regards to **Recommendation 29** although the Examiners had recommended that Haiti *“Lift bank secrecy for inspectors involved in banking supervision”* Haiti has pointed to Article 106 of the law governing banks and other financial institutions which obliges all banks to provide BRH with information and article 178 of the said law which provided for *“Professional Secrecy”* and lists the types

of information covered by such. At article 179 financial institutions cannot claim professional secrecy but only in limited circumstances involving BRH and UCREF where these two (2) entities are acting in furtherance of an investigation concerning assets of ML, TF. The recommended action that greater emphasis be placed on obligations regarding suspicious transaction reporting has not as yet been taken on board.

26. No update has been reported with respect to the specific Examiners recommended action for **Recommendation 30**.
27. No update has been reported with respect to the specific Examiners recommended action for **Recommendation 31**.
28. No update has been reported with respect to the specific Examiners recommended action for **Recommendation 32**, specifically, no statistics have been provided.
29. For **Recommendation 33** Haiti was rated NC as the Examiners had found that the system of transparency for legal persons, did not allow for rapid access to reliable, up-to-date beneficial ownership and control information. A recommended action was for the authorities to monitor effectively and record any changes in the bearers of bearer shares of corporations. Haiti has not reported whether the Jurisdiction has taken any action towards curing the deficiency related to the system of transparency for legal persons. With regards to enabling the authorities to effectively monitor changes to the bearer shares of corporations, Haiti has pointed to article 26, 55, 56 and 57 of the law governing banks and other financial institutions. According to article 26, the notification, of BRH, of the direct or indirect shareholders of companies, is a condition of the authorization to operate in Haiti and the structure of such authorized company's shareholder portfolio must be transparent. At article 55, any natural or legal person wanting to hold a controlling interest in a bank or considering increasing existing interest to the extent where voting rights or share capital would exceed the 10% threshold then the BRH must be notified. BRH has a veto right in such instances. At article 56 BRH must also be informed of the withdrawal of controlling interest. At article 57 banks are required to inform BRH as soon as knowledge comes to hand of the acquisition or transfer of interest in their capital either of exceeds or amounts to the 10% threshold.
30. For **Special Recommendation VII** part 6 of Circular 99 is concerned with the electronic transfer of funds. Haiti was rated NC and the Examiners discerned that identification threshold was set too high. Circular 99 makes no mention of a lowering of the threshold. Even though Haiti has reported that circular 95-1A of October 2008 lowered the threshold this circular was not provided for analysis. With regards to the Examiners recommendation for the conveyance of identification data on the originator, part 6 of Circular 99 banks are required to identify the issuers and the real beneficiaries. Identification here includes the first name, surname, address, account number, if applicable, and any other information considered relevant to the transfer of funds and any other information that accompanies a wire transfer or related message throughout the payment chain.

III. CONCLUSION

31. Haiti has shown some improvement towards strengthening its AML/CFT infrastructure in line with the recommendations of its 3rd round MER. The enactment of the law governing banks and other financial institutions and circulars 99 and 100 is a positive step. Notwithstanding, the majority of Core and Key as well as the Other Recommendations continue to be outstanding as they are the subject of the Bill on ML and TF, which continues to be in abeyance. Haiti's Executive has reportedly approved and submitted the said Bill to its Parliament. Haiti's DAR was adopted by the Council of Ministers in November of 2008. Given all of the above Plenary is being asked to allow Haiti an additional six (6) months to enact the ML and TF law.

CFATF Secretariat
December 2012

Matrix with Ratings and Follow-up Action Plan 3rd Round Mutual Evaluation
Haiti August 2012

Forty Recommendations	Rating	Summary of factors underlying rating ¹	Recommended Actions	Undertaken Actions
LEGAL SYSTEMS				
I. Money laundering offence	NC	<ul style="list-style-type: none"> The criminalization of money laundering does not cover all of the serious offences listed by the FATF, such as corruption, smuggling, arms exports, counterfeiting, migrant smuggling, sexual exploitation, and terrorist financing. The criminal law policy on combating money laundering and terrorist financing is currently ineffective. 	i. Adopt a criminal law policy with regard to serious offences that takes account more systematically of the laundering of the proceeds from the offences being prosecuted, by raising the awareness of prosecutors, investigative magistrates, and the police.	<ul style="list-style-type: none"> This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber. Since 2009, the Ministry of Justice and Public Security (MJSP) in conjunction with Office of Technical Assistance (OTA) raise the awareness of prosecutors [Department of the West principally at the public prosecutor's department as well as at the criminal investigation department]. Since 2009, training sessions were held regularly on money laundering, fraud, corruption by OTA and others governmental agencies
			ii. Take a census of the cases where money laundering is considered from the outset of the preliminary investigation or when criminal proceedings are started. <ul style="list-style-type: none"> 	Authorities are fully aware of the need to collect statistics regarding AML crimes. Political instability of the last years had prevented creation of the required structures. Now, MJSP is in the process of accelerating the creation of Statistical body.
			iii. In a subsidiary move, provide that, where the proceeds of crime are derived from conduct that occurred in another country, which is not an offence in that other country, but which would have constituted an offence in Haiti, this constitutes a money laundering offence in Haiti.	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.

¹ These factors are only required to be set out when the rating is less than Compliant.

2. Money laundering offence – mental element and corporate liability	PC	<ul style="list-style-type: none"> The requirements for invoking the criminal liability of legal persons are too restrictive, notwithstanding the inherent weaknesses of the predicate offences and the offence of money laundering (see Recommendation I). 	<ul style="list-style-type: none"> Reword the sentence about the liability of legal persons and lower the threshold for invoking legal persons' liability by removing the reference to the commission of an offence by a structure or a representative of the legal person. 	The article on the liability of legal persons has been revised in the Bill on money laundering and terrorist financing.
3. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> System is ineffective due to confusion in the implementation and management of conservatory measures and seizures. 	<p>i. Ensure that the funds seized by the competent authorities (Police, Customs) are managed by those same authorities pending a final court decision on whether the funds are to be released or confiscated by the State.</p> <ul style="list-style-type: none"> 	<p>This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p> <ul style="list-style-type: none"> Creation of BAFOS in June 2009: specialized unit for the management of seized funds. Adoption of guidelines on seized and forfeited assets.
			<ul style="list-style-type: none"> ii. Require courts, Government agencies, and departments concerned to keep accurate statistics about the conservatory measures taken and confiscations made by each of them. One authority should be designated to centralize the statistics. 	CNLBA initiated an intersectoral monitoring committee monthly, now quarterly meeting. As results following agencies: BAFE, BAFOS, BRH, AGD, & UCREF do provide statistics.
PREVENTIVE MEASURES				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> Bank secrecy too broad in scope and excessively restrictive, thus undermining the effectiveness of the anti-money laundering mechanism Excessive access to bank information by UCREF, apt to result in defiance by informant entities and create legal risks harmful to judicial proceedings 	Revise the obligations pertaining to bank secrecy so that the current restrictions, which pose a potential impediment to the fight against money laundering (scope and depth of banking supervision, domestic and international cooperation), are lifted. In addition, ensure that UCREF's practices regarding access to banking information are performed in full compliance with the letter and spirit of the law of 2001	<p>This is reflected in the law governing Banks and other financial institutions.</p> <p>Article 179 : “ Professional secrecy can be opposed neither to Banque de la République d’Haïti, nor to Unité Centrale d’Information Financière, nor to any other entity acting in lieu of, within the framework of an investigation concerning assets laundering or financing of terrorism, or to the judiciary authority</p>

				<p>acting within the framework of a penal procedure.</p> <p>The dispositions of the foregoing Chapter are not contrary to the sharing, and to the implementation of mechanism and systems between financial institutions. Banque de la République d'Haïti shall establish the conditions for the sharing of such information with commercial entities by means of regulatory dispositions.</p> <p>The dispositions of the foregoing Chapter are not contrary either to the sharing of information between a parent company and an affiliated banking company established in Haïti, subject to the confidentiality requirements established by the foregoing law. Banque de la République d'Haïti shall provide for the enforcement of the foregoing paragraph by regulatory dispositions."</p> <p>This recommendation address through operational changes made in UCREF with the technical assistance of OTA.</p>
5. Customer due diligence	NC	<ul style="list-style-type: none"> • Too limited scope of the ban on anonymous accounts and accounts in fictitious names; lack of risk-based identification mechanism for customers predating 2001 (or 1994 for bank deposit accounts) • Identification threshold too high for customers performing wire transfers • Legal uncertainties about the identification threshold for occasional customers • Absence of an identification requirement, independent of the threshold, when there is a suspicion of money laundering or terrorist financing • Absence of requirements to identify and verify the identity of beneficial owners and to 	i. Strengthen the bans on anonymous accounts and accounts in fictitious names <ul style="list-style-type: none"> • 	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
			ii. Lower the customer identification threshold for wire transfers to US\$1,000 <ul style="list-style-type: none"> • 	Already done
			iii. Clarify the legal identification threshold for occasional transactions in forms consistent with the anti-money laundering law of 2001 <ul style="list-style-type: none"> • 	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.

		<p>understand the way in which the ownership and control of a legal person are organized</p> <ul style="list-style-type: none"> • Absence of a requirement to collect information on the purpose and nature of the business relationship, and to ensure due diligence (including the updating of identification data) • Absence of a requirement of enhanced diligence for high risks • Lack of objective data on the effectiveness of the requirements of due diligence 	iv. Clarify the customer identification requirement in occasional transactions, independent of the threshold, when there is a suspicion of money laundering or terrorist financing	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
			v. Institute a requirement to identify and to verify the identity of beneficial owners, based in particular on a requirement that financial institutions understand the way in which ownership and control of a legal person are organized	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
			vi. Establish a requirement to collect information on the purpose and nature of the business relationship and to update identification data on a regular basis	<p>This recommendation is addressed in the circular # 99. Please find a copy of the circular – English version</p> <p>Identification also relates to the purpose and intended nature of the business relationship, whether of an individual or a corporation.</p> <p>During customer identification, a copy of all documents must be made, filed and stored by the bank. Formal controls must be in place concerning the signature, possible abnormalities in the photograph and the physical appearance of the potential customer.</p> <p>If banks cannot comply with the provisions above, they may not establish or maintain a business relationship or transact with the customer. In this case, they shall determine whether to produce a suspicion report to the Central Financial Intelligence Unit (UCREF) or to make a confidential internal report.</p>
			vii. Implement a risk management approach for the highest risks	This recommendation is addressed in the circular # 100. Please find a copy of the circular – English version

				<p>4. Risk Assessment</p> <p>The prevention and compliance program must include a money laundering and terrorist financing risk assessment as needed for the bank. This risks approach must include the following, the:</p> <ul style="list-style-type: none"> a) identification and evaluation of risks posed by the institution's activities; b) implementation of measures to mitigate identified risks; c) updating information on the identity of customers and real beneficiaries; and d) monitoring of financial transactions that pose higher risk. <p>Risk assessment is an analysis of threats and weaknesses that the bank's activities present concerning money laundering and terrorist financing. This assessment varies with the size of the bank and the type of activities executed.</p> <p>Banks must be vigilant and recognize products or services that may pose a high risk of money laundering. Some products and services can be used to hide the illicit origin of funds, to move funds in order to finance terrorist activities or to conceal the true identity of the owners or beneficiaries of the products and services.</p> <p>In addition, the identity verification information must be reviewed at least every two years for high risk situations.</p> <p>Risk mitigation measures must be included in policies and procedures. In addition, banks must</p>
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				take reasonable steps to ensure continuous monitoring of financial transactions that pose a high risk for money laundering and terrorist financing to detect suspicious transactions.
			viii. Based on a risk analysis, consider adopting flexible requirements for demonstrably low risks	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
			ix. Set in place a risk-based customer identification mechanism for business relationships predating 2001, in connection with a stronger and more direct requirement regarding anonymous accounts and accounts in fictitious names •	This recommendation is addressed in the circular # 99. Please find a copy of the circular – English version
6. Politically exposed persons	NC	• Absence of a requirement of enhanced diligence toward foreign politically exposed persons	i. Institute requirements of enhanced diligence toward politically exposed persons	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber. Circular # 99, pt 3:
7. Correspondent banking	NC	• Absence of requirements pertaining to the establishment of correspondent banking or equivalent relationships	i. Institute specific and enhanced requirements for establishing correspondent banking or equivalent relationships	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
8. New technologies and non face-to-face business	NC	• Absence of requirements pertaining to business relationships conducted at a distance or risks associated with new technologies	i. Institute requirements proportional to risk for business relationships conducted at a distance and with no face-to-face contact	This recommendation is addressed in the circular # 99, pt 1.2 Accounts Opened remotely and new technologies : “When an account is opened electronically, all documents must be sent by registered mail with return receipt within five working days from the date of the opening of the account. This receipt must be signed personally by the account holder. Copies of identification

				documents must be certified by authorized individuals (notary, consulate, embassy, etc..) In the case of a legal entity, all documents must be translated into French and notarized. ...” [Please find a copy of the circular – English version]
9. Third parties and business introducers	NC	<ul style="list-style-type: none"> Absence of obligations on the part of intermediaries and business introducers; lack of certainty regarding the ultimate responsibility of the financial institution to meet the requirements of due diligence. 	i. Clarify the requirements of due diligence in situations where a financial institution provides a role to third parties or business introducers, specifically by indicating the conditions (regarding obligations to fight money laundering) that must be met by the intermediary and by affirming the principle that responsibility for the customer identification process always falls to the financial institution	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
10. Record keeping	LC	<ul style="list-style-type: none"> Lack of a legal basis for authorities to request an extension of the length of time that records must be held Lack of objective data on the effectiveness of the system in place, and delays in transmitting records 	i. Ensure that it is possible for competent authorities to request an extension of the length of time that records must be held.	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
11. Unusual transactions	LC	<ul style="list-style-type: none"> Existence of a (monetary) threshold that triggers requirements for unusual or complex transactions Uncertain implementation of the requirements 	i. Revise the requirements pertaining to unusual and complex transactions to eliminate the threshold of 200,000 gourdes, below which there is no requirement at present.	This recommendation is addressed in the draft law on money laundering and terrorist financing. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
12. Designated non-financial businesses and professions – R.5, 6, 8-11	NC	<ul style="list-style-type: none"> Absence of coverage, under the mechanism to fight money laundering and terrorist financing, of many of the designated non-financial businesses and professions, and (except for casinos) identification of activities that are covered, and not of professions that are covered for a given range of activities. Absence of enforcement of existing legal provisions for non-financial businesses and professions covered by the law. Absence of 	i. Expand the anti-money laundering and anti-terrorist financing obligations to include other designated non-financial businesses and professions, especially notaries, accountants, independent legal professionals, lawyers, traders of precious metals and stones, art dealers – for all the activities listed by FATF (for each of these professions). Consideration should be given, based on an analysis of the gravity of money laundering	<p>1. This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p> <p>2. The obligations for casinos and real estate entities stipulated in the law on money laundering (2001) has been reinforced in the new draft law.</p>

		awareness-raising efforts and lack of monitoring of the enforcement of prevention and detection obligations for casinos and real estate transactions.	<p>i. Enforce the obligations already stipulated by law for casinos and real estate transactions, specifically through a major effort to mobilize and train the professionals involved.</p>	
13. Suspicious transaction reporting	NC	<ul style="list-style-type: none"> • Absence of suspicious transaction reporting regarding terrorist financing • Virtual absence of implementation of the system of suspicious transaction reporting by financial institutions 	<p>i. Expand the scope of suspicious transaction reporting to include terrorism and its financing</p> <p>i. Make all persons covered by the 2001 law aware of suspicious transaction reporting and automatic transaction reporting</p>	<p>This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p> <p>Progress has been made since the last assessment. The last awareness sessions on May 9 et 10, and August 7 to 12 for the financial sector.</p>
14. Protection and no tipping-off	C			
15. Internal controls and compliance	PC	<ul style="list-style-type: none"> • Lack of information regarding internal control obligations, both general and specific to anti-money laundering efforts, on the following points: access to customer information by compliance auditors; capacity of internal auditors to undertake verification of samples; verification of staff backgrounds prior to recruitment; minimum content of compulsory training 	<p>i. Clarify internal control obligations, based on the 2001 law and the circular on internal controls, especially as regards: access to customer information by compliance auditors; capacity of internal auditors to undertake verification of samples; verification of staff backgrounds prior to recruitment; minimum content of compulsory training.</p> <ul style="list-style-type: none"> • • • • • • 	<p>1. This recommendation is addressed in the circular # 100, pt 6 : “ 1. Internal Control Procedures</p> <p><i>Banks should exercise constant vigilance and build internal organization and procedures to ensure compliance with the statutory provisions and enable operations managers to identify and prevent any attempted money laundering. One of the purposes of this is to avoid the use of the financial system for money laundering purposes and to minimize the risks faced by institutions.</i></p> <p><i>This system of internal controls must include, among others:</i></p> <ul style="list-style-type: none"> • a mechanism to monitor money

			• •	<ul style="list-style-type: none"> ● compliance with procedures for opening and closing accounts; ● examination of a sample of document archiving forms and suspicious financial transactions information forms; ● an audit of the recordkeeping system; ● the existence of attached or referenced supporting documentation with the accounting records; ● knowledge of the customer by branches and operations managers, including the following: professional activity, account operations, financial position and financial and accounting documentation consistent with the credit extended and the volume of business being transacted. Particular attention should be paid to the business rationale of the operations and their consistency with the customer's known circumstances; ● periodic reviews of all established correspondent relationships with foreign banks to detect high risk partners; and ● employee knowledge of internal money laundering regulations. <p>The results of all audits must be reported to the Board. Following the hierarchical structure of the institution, issues concerning the measures taken or to be taken and timelines must be known and disclosed to the operations staff."</p> <p>[Please find a copy of the circular – English version]</p> <p>2. This is reflected in the law governing Banks and</p>
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				<p>situation is regularized. The penalty fee shall be collected as a debt owed to Banque de la République d'Haïti which may debit the penalized institution's account.</p> <p>These sanctions are enforced by Banque de la République d'Haïti without prejudice of other sanctions foreseen by the law, and of the civil or penal responsibility that may arise from the violation. Banque de la République d'Haïti may enforce two or more sanctions for the same violation, depending on the seriousness of same. It may also decide in lieu of, or in addition to these sanctions, to interdict or to restrict the distribution of dividends to the financial institution's shareholders.</p> <p>Notwithstanding the dispositions of paragraph 5 of the foregoing article, penalty fees enforced against individuals are applicable to the shares held by such individuals. In the event of repeated violation, in addition to a penalty fee, Banque de la République d'Haïti may demand that the individual concerned be dismissed from his duties. This decision is subject to administrative or juridical recourse, but this recourse is not suspensive.</p> <p>Garnishments may be imposed Banque de la République d'Haïti upon accounts opened in other banks or in all other financial institutions for the enforcement of penalty fees against non bank financial institutions.</p> <p>Please find enclosed a copy of the law (French and English version)</p>
16. Designated non-financial businesses and professions – R.13-15 & 21	NC	<ul style="list-style-type: none"> Weaknesses of the suspicious transaction reporting mechanism (cf. Recommendation 13) Overly restrictive coverage of designated non-financial businesses and professions 	i. Make sure that non-financial businesses covered by the anti-money laundering law meet their obligations with respect to detecting and reporting suspicious transactions. In addition, they should expand	<p>This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p>

		<ul style="list-style-type: none"> • Absence of suspicious transaction reporting by non-financial professions • Absence of enforcement of existing legal provisions 	the suspicious transaction reporting obligation to include all designated non-financial businesses and professions	
17. Sanctions	NC	<ul style="list-style-type: none"> • Absence of a dissuasive, proportionate, and effective system of sanctions • Lack of implementation of the current system of sanctions 	i. Revise the system of sanctions for breaches of anti-money laundering and anti-terrorist financing obligations, particularly by (a) rebalancing criminal and administrative sanctions and (b) establishing a wider scale of (administrative) sanctions and a broader definition of breaches triggering these sanctions; i. Adopt a more proactive approach in supervising these obligations, especially in the case of non-bank financial institutions.	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
18. Shell banks	PC	<ul style="list-style-type: none"> • Absence of any obligation for Haitian financial institutions to ascertain that their correspondent banks are not shell banks and that their correspondent banks do not allow shell banks to use their correspondent accounts 	i. Require Haitian financial institutions to ascertain that their correspondent banks are not shell banks and that their correspondent banks do not allow shell banks to use their correspondent accounts	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
19. Other forms of reporting	LC	<ul style="list-style-type: none"> • No access to the computerized database by authorities other than UCREF 	i. Provide for access to the UCREF data base for other authorities involved in the fight against money laundering and terrorist financing	Already done
20. Other non-financial businesses and professions and secure transaction techniques	NC	<ul style="list-style-type: none"> • Absence of attention given to expanding the anti-money laundering and anti-terrorist financing system to include non-financial businesses and professions based on the specific risk level in Haiti • Ineffective mechanisms for promoting the use of other payment instruments besides cash 	i. Consider expanding (based on risk) the anti-money laundering and anti-terrorist financing system to include other non-financial businesses and professions (cf. also the recommendation under Recommendation 12) i. Review the provisions aimed at promoting the use of other payment instruments besides cash, in view of the present ineffectiveness of such provisions	This recommendation was taken into account in the draft law on money laundering and terrorist financing. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
21. Special attention for higher risk countries	NC	<ul style="list-style-type: none"> • Absence of a legal framework and operational mechanism enabling Haiti to guard against countries with weak systems for combating money laundering 	i. Develop mechanisms to inform financial institutions about the shortcomings of certain systems to combat money laundering and terrorist financing, as well as a legal	This recommendation is addressed in the NOTE. [Please find a copy of the Note – English version]

			framework that will enable them to enforce countermeasures against countries that continue to not adequately implement the FATF Recommendations	
22. Foreign branches and subsidiaries	NC	<ul style="list-style-type: none"> Absence of obligations aimed at foreign branches and subsidiaries of Haitian financial institutions, relative to their capacity to implement satisfactory measures to fight money laundering and terrorist financing 	i. Establish obligations aimed at the foreign branches and subsidiaries of Haitian financial institutions, relative to their capacity to implement satisfactory anti-money laundering mechanisms in their host country.	<p>I. This recommendation is addressed in the circular # 99, pt 5:</p> <p>“ Enhanced Due Diligence Measures</p> <p>Based on their assessment of the risk, banks must apply enhanced due diligence measures in situations which by their nature can present a high risk of money laundering or terrorist financing and include (but are not limited to) the following situations:</p> <ul style="list-style-type: none"> a) The client or real beneficiary is not physically present; b) the client or real beneficiary is a politically exposed person residing abroad; and c) in correspondent banking relationships. <p>In addition, as required by the Act of February 21, 2001, vigilance should be exercised in respect of transactions from loan or financial institutions that did not submit sufficient information on clients or transaction controls. Procedures must be implemented by all banks to ensure that they have good knowledge of the legitimate activities of their international correspondent bank and other similar relationships.”</p> <p>[Please find a copy of the circular 99– English version]</p>
23. Regulation, supervision, and monitoring	NC	<ul style="list-style-type: none"> Absence of requirements of integrity and competence for many pillars of the financial sector, particularly money changers, insurance companies, and microfinance 	i. Strengthen the obligations of integrity and competence for the entire financial sector and for beneficial owners, business introducers, shareholders, and senior officials of financial	<p>This is reflected in the law governing Banks and other financial institutions.</p> <p>Article 28 : <i>"No person can be a member of a Board of Directors of a bank, a Manager, or member of a</i></p>

		institutions <ul style="list-style-type: none"> • Absence of coverage of beneficial owners under the obligations of integrity and competence for the banking sector and savings and loan cooperatives • Existence of an unregulated, informal sector of money/value transfer services 	institutions, by incorporating, in particular, professional disqualification in the event of a conviction for money laundering or terrorist financing;	<i>committee, either directly or through an intermediary, or manage in one capacity or another a bank, or hold the power to sign for the account of such institution:</i> <i>1) if that person has been convicted : e.- of any of the infractions foreseen by articles 4.2.1 to 4.2.5 of the law of February 21, 2001 bearing on asset laundering;"</i> [Please find enclosed a copy of the law (French and English version)]
24. Designated non-financial businesses and professions – regulation, supervision, and monitoring	NC	<ul style="list-style-type: none"> • Inadequate framework of supervision for non-financial businesses and professions • Lack of monitoring and oversight of legal obligations of non-financial professions at present covered by the mechanism 	i. Set in place the necessary mechanisms to ensure the execution of obligations related to money laundering prevention by non-financial professions, especially casinos, and provide oversight of proper implementation of these mechanisms.	Changes have been made in the bill on money laundering and terrorist financing. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
25. Guidelines and feedback	NC	<ul style="list-style-type: none"> • BRH guidelines not widely distributed and not well known to the financial professions; no feedback from UCREF to the financial professions • Absence of guidelines issued for the entire financial sector • Absence of guidelines for designated non-financial businesses and professions • Absence of any mechanism for feedback from UCREF (DNFPBs) 	i. Provide information to, and raise the awareness of, financial and non-financial entities subject to the legal obligations of the anti-money laundering law, by issuing guidelines and particularly money laundering typologies, so as to enable these entities to fulfill their obligations under optimal conditions. Similarly, strengthen the training of private and public actors involved in preventing and cracking down on money laundering ii.	Done
INSTITUTIONAL AND OTHER MEASURES				
26. Financial Intelligence Unit	PC	<ul style="list-style-type: none"> • Ambiguities (especially in practice) as regards the operational independence and autonomy of UCREF • Lack of mobilization of all professions subject to the law • Absence of status reports and reliable statistics 	i. Clearly redefine UCREF's scope of action in line with the anti-money laundering law of 2001 ii. Build awareness on the part of professions subject to the suspicious transaction reporting	Since 2008, changes have been made in the UCREF administration and it clearly addresses this recommendation. Meetings have been organized between the administration of UCREF and the compliance officers on this matter.

		<ul style="list-style-type: none"> • Ambiguity in the practices followed for exchanging information with foreign authorities • Absence of a policy on employee integrity and appropriate training • Ineffectiveness of the Financial Intelligence Unit due to its atypical functioning, pursuant to a broad interpretation of its legal framework 	requirement	
			iii. Ensure that UCREF exchanges information only with persons authorized to receive same (foreign counterparts)	After the mutual evaluation, measures have been taken to correct this situation.
			iv. Reinforce UCREF's operational independence in relation to CNLBA and establish real functional autonomy in relation to BRH	Actually, the UCREF occupies an area seized by the Haitian State.
			v. Charge UCREF with publishing a periodic status report	Steps have been already taken for this recommendation.
			vi. Bring Haitian law in line with the conditions required for membership in the Egmont Group	This recommendation is addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
27. Law enforcement authorities	PC	<ul style="list-style-type: none"> • Lack of mobilization and utilization of police services in criminal investigations of money laundering • Lack of implementation of specific investigative techniques appropriate to the fight against money laundering, particularly delivery surveillance, undercover operations, and interception of communications • Absence of a group devoted to investigations of personal property or assets suspected to be of criminal origin 	<p>i. Equip the Financial and Economic Investigation Bureau (BAFE) of DCPJ with a sufficient number of investigators and offer specialized training in the fight against money laundering. Examine the total or partial reassignment of original BAFE investigators attached to UCREF since its creation.</p> <p>ii. Create a specialized jurisdiction of national scope to fight against money laundering and terrorist financing.</p> <p>iii. Provide DCPJ with adequate financial and material resources, as well as pre-service and in-service</p>	<p>1. All BAFE investigators that were seconded to the UCREF are exclusively related to BAFE since May 2008. These investigators have received training in special's techniques of economic and financial investigations.</p> <p>2. Bill on Money Laundering and Financing of Terrorism addresses this recommendation. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p>

			<p>training to implement special techniques for investigating money laundering, such as interception of telephone calls, delivery surveillance, and infiltration of criminal groups to track their management of funds from their activities.</p> <p>iv. Perform a property investigation for investigations of drug trafficking and other crimes falling within the scope of enforcement of the crime of money laundering.</p> <p>v. Undertake a rigorous monitoring and centralization of legal actions and results of money laundering investigations within the Ministry of Justice, along with the development of statistics. Centralize and work up reliable statistics on money laundering investigations.</p>	
28. Powers of competent authorities	PC	<ul style="list-style-type: none"> • Impossibility of assessing the effectiveness of the existing legal framework because of the absence of money laundering investigations completed to date. • Current laws relating to criminal procedure are vague with respect to procedures for submitting matters other than crimes <i>in flagrante delicto</i> to the police for investigation, and with respect to providing support to cases being investigated by the investigative magistrate. 	<p>i. Clarify the Criminal Investigation Code in order to expand and strengthen the legal bases for submitting cases to the DCPJ that involve money laundering, drug trafficking, and other crimes and offences sanctioned by law. Redefine and regulate more strictly, in relation to the functions of the national police officers who are officers of the court, the various frameworks for investigation, and in particular investigations of cases other than crimes <i>in flagrante delicto</i> or those providing support to the investigative magistrate.</p> <p>ii. Reconsider, in terms of how legal action is organized, the role of specialized police agencies as sole point of interface with magistrates in money laundering investigation.</p> <ul style="list-style-type: none"> • 	The President has taken action to create a presidential commission on justice reform to address these and other pending legal issues. The commission was installed on January 18 2012 and has submitted to the Prime Minister's office through the Ministry of Justice a penal procedure code project that will address these issues.
29. Supervisors	PC	<ul style="list-style-type: none"> • Excessive restrictions on the ability of financial sector supervisors to gain access to all necessary records • Weaknesses in the ability of supervisors to impose sanctions on financial institutions, their directors, and their shareholders 	<p>i. Lift bank secrecy for inspectors involved in banking supervision;</p> <p>ii. Adopt a less formalistic approach to compliance with obligations related to the prevention and detection of money laundering and terrorist financing, particularly by placing</p>	<p>I This is reflected in the law governing Banks and other financial institutions.</p> <p>Article 106: "All banks are required, when they requested to do, to provide or to communicate to Banque de la République d'Haïti's Inspectors, all</p>

			<p>greater emphasis on obligations regarding suspicious transaction reporting;</p> <ul style="list-style-type: none"> • • • • • 	<p>information, accounts, books and documents that are deemed necessary. Banque de la République d'Haïti's Inspectors are bound by professional secrecy, as defined in articles 178 and 180 of the foregoing law."</p> <p>Article 167: "All financial institutions are required, to provide or to communicate to Banque de la République d'Haïti Inspectors, upon demand, all information, registers and documents that the latter may deem necessary. Banque de la République d'Haïti's Inspector are bound by professional secrecy as defined in articles 178 and 180 of the foregoing law."</p> <p>[Please find enclosed a copy of the law (French and English version)]</p> <ul style="list-style-type: none"> • 2. This recommendation has been addressed during the inspection of the financial institutions by the bank examiners of the Central Bank.
30. Resources, integrity, and training	NC	<ul style="list-style-type: none"> • Insufficient human and budget resources overall, and less than optimal use of same • Overly generalized training 	i. Regularly ensure the integrity of UCREF employees and see to their training	<p>The draft law on the prevention and repression of corruption was passed by the Council of Ministers on 30 December 2009. To sensitize parliamentarians on the importance of providing the country with an anti-corruption law, the ULCC organized in partnership with MINUSTAH, a two-day retreat (from 9 to 11 March 2012). At the end of the retreat, parliamentarians have committed to vote the bill which will enable Haiti to comply with certain international conventions, including the UN Convention Against Corruption.</p>
31. National cooperation	PC	<ul style="list-style-type: none"> • Ineffectiveness of the coordinating body • Lack of operational coordination between Haitian actors involved in the fight against money laundering and the fight against terrorist financing 	i. Ensure that the CNLBA fully plays its role	<p>After the mutual evaluation, CNLBA put serious emphasis on:</p> <ul style="list-style-type: none"> - Awareness of all the stakeholders concerned by the fight against money laundering; - Coordination between all the entities fighting

				against money laundering; - Monitor all the improvement made in the legal aspects.
32. Statistics	NC	<ul style="list-style-type: none"> Absence of a reliable mechanism for collecting statistical data 	i. Develop reliable statistics on UCREF activities	Since 2010 a unit of Statistics has been created in the UCREF. Periodical reports are available at UCREF.
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> Ineffective system of transparency for legal persons, which does not allow for rapid access to reliable, up-to-date beneficial ownership and control information 	i. Enable the authorities to monitor effectively and record any changes in the bearers of bearer shares of corporations.	[Please find enclosed a copy of the law (English version)]
34. Legal arrangements – beneficial owners	NA	<ul style="list-style-type: none"> Absence of the concept of trusts in Haiti 		
INTERNATIONAL COOPERATION				
35. Conventions	NC	<ul style="list-style-type: none"> No implementation of the Vienna, Palermo, and Merida Conventions 	i. Take measures to implement the Vienna Convention;	1) The adoption of the law of August 7, 2001 which confers the criminal nature of trafficking narcotics 2) The adoption of measures for the confiscation of proceeds related to offenses punishable by law. 3) The legal provisions for extradition and mutual legal assistance
			ii. Ratify and implement the Palermo Convention;	The Palermo Convention has been ratified by Haiti in September 2009 1. The Bill on money laundering and financing of terrorism addresses all the measures in the Palermo Convention related to the fight against money laundering. This Bill has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber. 2. ULCC (entity fighting against corruption) has been working on a draft law on corruption. This bill was passed by the Council of Ministers on 30 December 2009. To sensitize parliamentarians on

				the importance of providing the country with an anti-corruption law, the ULCC organized in partnership with MINUSTAH, a two-day retreat (from 9 to 11 March 2012). At the end of the retreat, parliamentarians have committed to vote the bill which will enable Haiti to comply with certain international conventions, including the UN Convention Against Corruption.
			iii. Sign, ratify, and take measures to implement the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism.	Ratified by Haiti in January 2010 Implementation will be done with the bill on Money Laundering and Financing of Terrorism.
36. Mutual legal assistance	LC	<ul style="list-style-type: none"> Ineffectiveness of the legal system in place 	i. Set up a framework for mutual legal assistance concerning offences in the area of terrorist financing.	With the assistance of the OTA, Haiti is working on a model treaty to be signed with countries interesting in pursuing ALM matters. In the meantime, the legal framework provides for assistance to be given on a reciprocal basis, without the existence of a treaty.
37. Dual criminality	LC	<ul style="list-style-type: none"> Ineffectiveness of international mutual assistance on criminal matters Dual criminality required, but “similar” offences taken into account; absence of data on effective implementation 		While Haiti, through various mechanisms, is fully cooperating with countries requesting MLAs and Extraditions, a more clarified legal framework is being implemented in the new draft AML/CFT legislation.
38. Mutual legal assistance on confiscation and freezing	PC	<ul style="list-style-type: none"> Absence of effective implementation of legal provisions and lack of a mechanism to coordinate seizure and confiscation actions with foreign jurisdictions 	i. Set up a mechanism for coordinating seizure and confiscation initiatives with other countries.	With the assistance of the OTA, Haiti is preparing a mechanism to coordinate confiscation initiative with all the countries. The collaboration is already ongoing with the US.
39. Extradition	LC	<ul style="list-style-type: none"> Insufficient effectiveness of the legal mechanism in place 		While Haiti, through various mechanisms, is fully cooperating with countries requesting extradition, a more clarified legal framework is being implemented in the new draft AML/CFT legislation.
40. Other forms of cooperation	NC	<ul style="list-style-type: none"> Restrictions on international cooperation due to excessive requirements for lifting bank secrecy Incapacity of financial sector supervisory 	i. Clarify the possibility of exchanging financial information with UCREF non-counterpart foreign agencies. ii. Authorize all the financial sector supervisory	1. The Bill on UCREF's administration will be introduced by the Executive to Parliament. 2. This is reflected in the law governing Banks and

		<p>bodies to participate in international cooperation</p> <ul style="list-style-type: none"> • Absence of strict oversight of the exchange of financial information reserved for foreign counterpart intelligence units 	<p>bodies to participate actively in international cooperation between supervisors.</p>	<p>other financial institutions.</p> <p>Article 98.-Within this framework, Banque de la République d'Haiti may cooperate with foreign supervision institutions with the view to exchange information, and for the purpose of local supervision, by virtue of the agreements binding BRH with the latter institutions.</p> <p>[Please find enclosed a copy of the law (English version)]</p>
Nine Special Recommendations	Rating	Summary of factors underlying rating		
SR.I Implement UN instruments	NC	<ul style="list-style-type: none"> • No signature of the United Nations International Convention for the Suppression of the Financing of Terrorism 	i. Sign, ratify, and take measures to implement the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism	The implementation will be done with the Bill on Money Laundering and Financing of Terrorism.
SR.II Criminalize terrorist financing	NC	<ul style="list-style-type: none"> • No legislation on the financing of terrorism • No signature or ratification of the International Convention for the Suppression of the Financing of Terrorism 	<p>i. Criminalize terrorist financing, in compliance with the Convention on the Financing of Terrorism.</p> <p>ii. Ensure that the future criminalization of terrorist financing and the sanctions meet the standards set by the Convention</p>	The Bill on Money Laundering and Financing of Terrorism has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> • No legal framework for freezing assets used for terrorist financing 	i. Introduce measures to provide for the freezing of assets used for terrorist financing, in accordance with the requirements of Resolutions 1267 and 1373.	The Bill on Money Laundering and Financing of Terrorism has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.
SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> • The scope of suspicious transaction reporting does not cover terrorist financing 	i. Expand the scope of suspicious transaction reporting to include terrorism and its financing	The Bill on Money Laundering and Financing of Terrorism has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.

SR.V International cooperation	NC	<ul style="list-style-type: none"> • Absence of criminalization of terrorist financing, blocking participation in international cooperation • Restrictions on international cooperation due to excessive requirements for lifting bank secrecy • Incapacity of financial sector supervisory bodies to participate in international cooperation 	<p>i. Authorize all the financial sector supervisory bodies to participate actively in international cooperation between supervisors.</p> <ul style="list-style-type: none"> • • • • • • • • • <p>ii. Expand the existing mechanism for extradition to include the offence of terrorist financing, once it has been criminalized.</p>	<p>1. This is reflected in the law governing Banks and other financial institutions.</p> <p>Article 98.-Within this framework, Banque de la République d'Haïti may cooperate with foreign supervision institutions with the view to exchange information, and for the purpose of local supervision, by virtue of the agreements binding BRH with the latter institutions.</p> <p>[Please find enclosed a copy of the law (French and English version)]</p> <p>2. The Bill on Money Laundering and Financing of Terrorism has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p>
SR.VI AML/CFT requirements for money/value transfer services	NC	<ul style="list-style-type: none"> • See the summary of weaknesses of the Haitian system for Recommendations 4-11, 13-15, 21-23, and 17 and Special Recommendation VII 	<p>i. Adopt a more proactive approach toward money transfer services currently provided in the informal sector.</p>	<p>Aware of the risk of high use of cash in the Haitian economy, measures have been taken to encourage the use of other payment instruments, such as debit card, for the entire financial system and also to stimulate the access to the formal sector.</p>
SR.VII Wire transfer rules	NC	<ul style="list-style-type: none"> • Identification threshold set too high • Absence of requirements regarding wire transfers (conveyance of identification data) 	<p>i. Implement wire transfer regulations concerning the conveyance of identification data on the originator, in accordance with Special Recommendation VII – with specific attention (in view of the pattern of wire transfers in Haiti, where virtually all transfers are received, not sent) focused on the obligations of banks receiving cross-border wire transfers.</p>	<p>See guidelines to the money transfer companies and the circular # 99.</p>
SR.VIII Nonprofit organizations	NC	<ul style="list-style-type: none"> • Absence of legal framework to combat terrorist financing 	<p>i. Strengthen the oversight of the identity of founding members and directors, their</p>	<p>1. This recommendation will be addressed in the new bill related to the nonprofit</p>

		<ul style="list-style-type: none"> • Ineffective supervision of nonprofit organizations from the perspective of the fight against terrorist financing • Absence of any assessment of the risks of Haitian nonprofit organizations being misused for terrorist financing purposes 	<p>operations in terms of implementation of their projects, and their financial position, in order to guarantee that this sector cannot be used for money laundering or terrorist financing purposes</p> <p>i. Undertake a study of the risks of charitable organizations being misused for terrorist financing purposes should be conducted.</p> <p>i. Raise awareness of the NGO Coordination Unit (UCAONG) on the problems of money laundering and terrorist financing and develop a preventive program of oversight in these areas.</p>	<p>organizations.</p> <p>2. Seeking technical assistance for the realization of a study as recommended by the evaluators.</p> <p>3. Awareness meetings will be scheduled by the CNLBA with the Ministry of Planning</p>
SR.IX Reporting/communication of cross-border transactions	PC	<ul style="list-style-type: none"> • Ineffectiveness of the system due to its unsuitability to the Haitian context and, as a result, deficiencies in implementation • Absence of proportionate, deterrent, and effective penalties • Lack of coordination among authorities in charge of implementing the mechanism currently in place 	<p>i. Establish either a declaration system or a reporting system;</p> <p>i. Incorporate this law into the customs code so as to ensure the legal basis for seizures and subsequent investigations;</p> <p>i. Implement reporting arrangements among and between customs, the police, and UCREF concerning information gathered after funds are seized;</p> <p>v. Establish penalties that tie the severity of punishment to the absence or presence of evidence of an illicit origin or destination for the funds.</p> <ul style="list-style-type: none"> • 	<p>These recommendations are addressed in the Bill on Money Laundering and Financing of Terrorism. This Bill on Money Laundering and Financing of Terrorism has been introduced by the Executive to Parliament in July 2012. It is currently before the Lower Chamber.</p>

