



CARIBBEAN  
FINANCIAL ACTION  
TASK FORCE

# Second Follow-Up Report

## Suriname

## May 2012

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## MUTUAL EVALUATION OF SURINAME: SECOND FOLLOW-UP REPORT

### I. INTRODUCTION

1. This report represents an analysis of Suriname's report back to the CFATF Plenary concerning the progress that it has made with regards to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Suriname was adopted in October 2009 in Curacao and Suriname was placed in expedited follow. Suriname's first follow-up report was presented to plenary in May of 2011 and Suriname was placed into the first stage of enhanced follow-up. An updated matrix was submitted by Suriname on August 26<sup>th</sup>, 2011 but was not analysed and no written follow-up report was presented for Suriname at the November 2011 Plenary. Suriname is subjected to review by the CFATF ICRG and in this context a detailed action plan was submitted to the Secretariat, by Suriname, on 28<sup>th</sup> March, 2012. This action plan forms the basis of this follow-up report. Based on this analysis however, it is being recommended that Plenary leave Suriname in the first stage of enhanced follow-up to report back in November, 2012.
2. Suriname received ratings of PC or NC on 15 of the Core and Key Recommendations as follows:

<b>Rec.</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>10</b>	<b>13</b>	<b>23</b>	<b>26</b>	<b>35</b>	<b>36</b>	<b>40</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Rating</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>NC</b>	<b>PC</b>	<b>NC</b>	<b>NC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>	<b>PC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>

3. Relative to the other non-core or key recommendations, Suriname was rated partially compliant and non-compliant as follows:

<b>Partially Compliant (PC)</b>	<b>Non-Compliant (NC)</b>
R. 14 (Protection & no tipping-off)	R. 6 (Politically exposed persons)
R. 18 (Shell banks)	R. 7 (Correspondent banking)
R. 20 (Other NFBP & secure transaction techniques)	R. 8 (New technologies & non face-to-face business)
R. 25 (Guidelines & Feedback)	R.9 (Third parties and introducers)
R. 27 (Law enforcement authorities)	R. 11 (Unusual transactions)
R. 30 (Resources, integrity and training)	R. 12 (DNFBP – R.5, 6, 8-11)
R. 37 (Dual criminality)	R. 15 (Internal controls, compliance & audit)
R. 38 (MLA on confiscation and freezing)	R. 16 (DNFBP – R.13-15 & 21)
	R. 17 (Sanctions)
	R. 19 (Other forms of reporting)
	R. 21 (Special attention for higher risk countries)
	R. 22 (Foreign branches & subsidiaries)
	R. 24 (Regulation, supervision and monitoring)
	R. 29 (Supervisors)
	R. 32 (Statistics)
	R. 33 (Legal persons – beneficial owners)
	SR. VI (AML requirements for money/value transfer services)
	SR. VII (Wire transfer rules)

	SR. VIII (Non-profit organisations)
	SR. IX (Cross Border Declaration & Disclosure)

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

#### Size and Integration of the jurisdiction's financial sector (US\$ thousands)

		Banks	Non-bank related	Other Credit Institutions*	Pension funds	Insurance	TOTAL
<b>Number of institutions</b>	Total #	9	3	29	34	13	88
<b>Assets</b>	US\$	2.086.076	65.072	59.305	377.513	188.984	2.776.950
<b>Deposits</b>	Total: US\$	1.778.108	44.641	50.696	61.867	N.A.	1.935.312
	% Non-resident	% of deposits					
<b>International Links</b>	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets	% of assets
	#Subsidiaries abroad	N.A.					

## II. SUMMARY OF PROGRESS MADE BY SURINAME

5. Since the first follow-up report, Suriname has enacted two Acts namely: the O.G. 2011 no 96, which is an Act amending the Criminal Code; the Firearms Act; and the Act on the Disclosure of Unusual Transactions, in connection with the criminalization of terrorist crimes and their financing. This Act was published in the State Gazette of 29<sup>th</sup> July, 2011 and came into force on 30<sup>th</sup> July, 2011. And O.G. 2011 no 155 which is a new Banking and Credit System Supervision Act ("BCSSA") that came into force on 23<sup>rd</sup> November, 2011. Also, draft amendments to the MOT Act and the WID Act were presented to the State Advisory Council for their review.

### Core Recommendations

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

6. For **Recommendation 1**, the gaps discerned were related to the fact that insider trading and market manipulation and terrorism and the financing of terrorism were not offences under Surinamese laws. With the coming into force of O.G. 2011 no 96, Suriname has now criminalised terrorism by virtue of **art.1A. Art.1C (2)** has criminalised the financing of terrorism by adding the paragraph **k** with the following definition:

#### *Financing of terrorism:*

- the intentional acquisition or possession of monetary instruments or objects with monetary value for purposes of committing a terrorist crime;*

2. *the intentional acquisition of monetary resources for the commission of a terrorist crime; or*
3. *the provision of monetary or material support for the acquisition of money or objects for an organization that intends to commit a terrorist crime.*
7. The recommendation in relation to insider trading and market manipulation has not as yet been taken on board. In this regard Suriname has reported that a national risk assessment has concluded that these crimes do not represent a serious threat and so legislation will be drafted to criminalise them. This Recommendation remains *outstanding*.
8. Suriname intends to address the deficiencies to **Recommendation 5** through amendments to the MOT and the WID Acts and by enacting new regulations. As noted above, these amendments have already been drafted as are the said regulations. However until they have actually been enacted this Recommendation will continue to remain *outstanding*.
9. The measures required to address the gaps noted for **Recommendation 10** are currently the subject of a draft amendment to the WID Act. Consequently, this Recommendation remains *outstanding*.
10. With regards to **Recommendation 13** and **Special Recommendation IV** the assessors had made seven (7) recommendations intended to close the gaps they discerned in the MER. The first gap with respect to the reporting obligation not covering insider trading and market manipulation will remain *outstanding* because these acts have not as yet been criminalised in Suriname.
11. The second assessors recommendation that *“the reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism”*. Suriname has reported that Based on art. III sub E of the CFT legislation (OG 2011 no. 96) UTR’s should be filed with the FIU regarding transactions, which are suspected to be related to terrorism, terrorist acts of terrorists organizations. This is related to article 12 of the MOT makes no mention of funds where there are reasonable grounds to suspect or are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism. This Recommendation remains *outstanding*.
12. The third assessors’ recommendation was for Suriname to include in the State Decree on Unusual Transaction, the requirement to also report “attempted unusual transactions”. In compliance with this recommendation, Suriname is pointing to **art. 12** of the draft MOT Act as having filled this gap. It should be noted however that Article 12 of the regulations with respect to the reporting of unusual transactions in the provisions of services (S.B. 2002 No. 65), which is concerned with Reporting Duty mandates service providers, where they uncover facts indicative of money laundering, to report an unusual transaction whether, executed or *intended* in connection with the said money laundering offence. This provision appears to satisfy the assessors’ recommendation and so the gap in this regard is *closed*.

13. The fourth assessors' recommendation relative to the obligations of financial institutions who chose to use an UTR-interface for reporting purposes (electronic reporting), is the subject of an amendment to the MOT, which is currently with the jurisdiction's State Advisory Council. As a consequence this gap remains *open*.
14. The fifth assessors' recommendation was for Suriname to *Consider whether the obligation to report unusual transactions "without delay" is sustainable*. In order to comply with this recommendation, Suriname has indicated that the enforcement of this provision will be the responsibility of authorities (FIU) mentioned in **art. 22** of the amendment to the MOT. As a consequence this gap remains *open*.
15. The sixth assessors' recommendation that *the FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance* is the subject of an amendment to the MOT Act which is currently with the jurisdiction's State Advisory Council. As a consequence this gap remains *open*.
16. The sixth and final assessors' recommendation relative to the raising of awareness for financial institutions and DNFBPs is the subject of ongoing bi-monthly meetings to be held by the FIU during 2012. Based on all of the above, **Recommendation 13 remains outstanding**.
17. For **Special Recommendation II**, the comments relative to Special Recommendation I above are also relevant in that Suriname has now criminalised the financing of terrorism by virtue of **art.1C (2) of O.G. 2011 no 96**.

### **Key Recommendations**

#### **Recommendations 3, 4, 23, 26, 35, 40, SRI, SRIII and SRV**

18. As for **Recommendation 3**, the fact that terrorism financing is now criminalised by virtue of **art.1C (2) of O.G. 2011 no 96** creates the legal basis for the confiscation of TF related assets. The gap discerned by the assessors is *closed*.
19. For **Recommendation 4**, Suriname has indicated that the BCSSA which came into force on 23<sup>rd</sup> November, 2011 gives the Central Bank of Suriname ("CBS") the authority to enter into MOUs with overseas supervisory authority. This legislation was not provided for analysis. Other legislation has also been drafted to give effect to the Jurisdiction's law enforcement agencies ability to share information both locally and internationally. This draft legislation is currently with Suriname's State Advisory Council. This Recommendation remains *outstanding*.
20. The action required to close the gaps noted for **Recommendation 23** is the subject of draft legislation. This Recommendation remains *outstanding*.
21. For **Recommendation 26**, the assessors made eight recommendation for fixing the shortcomings noted in the MER. Those recommendations are noted in the attached matrix. In compliance, in May 2011 a Ministerial decree by the Minister of Justice and Police has been used to change the organisational chart of the Ministry of Justice and Police thereby identifying the MOT as an agency to

perform the duties of an Authority. It is not clear to what extent this complies with the assessors' recommendation that *legal instruments be drafted to consolidate the legal framework of the organization and functioning of the FIU.*

22. The strength of the FIU has been increased by eight (8) persons including four (4) analysts and two (2) lawyers. Additionally, for fiscal year 2012, the budget for the MOT has been incorporated into the budget of the Ministry of Justice and police. It is unclear whether or not this is a temporary measure and to what extent this would redound towards an increase in the resourcing for the FIU.
23. In September 2011, the FIU was relocated to a new building in the business district of the Jurisdiction's capital city. That new building reportedly has 24/7 electronic surveillance and more available office space.
24. Since 2009 the FIU acquired a server to store its information also weekly backups of the said information are done.
25. The FIU is reportedly continuing its awareness raising seminars for financial institutions and DNFBPs. These new measures by Suriname have actually closed some of the gaps noted by the assessors however, several weaknesses for Recommendation 26 still exists including the fact that the FIU still has not provided feedback; has not issued any guidance aimed at stressing the importance of the timely reporting of suspicious activity; have not exploited all possibilities of information collection; have not demonstrated that it has intensified its efforts at ensuring that its analysts acquire better insights and knowledge of ML techniques. As a consequence, Recommendation 26 remains *outstanding*.
26. The assessors' recommendations aimed at filling the gaps for **Recommendation 35** and **Special Recommendation 1** are identical. In this regard, Suriname has not as yet acceded to the U.N. International Convention for the Suppression of the Financing of Terrorism nor has the jurisdiction enacted legislation which would give effect to the freezing and seizing under the U.N. S/RES/1267(1999) and U.N. S/RES/1373(2001). In both instances however, the jurisdiction has begun the process by enacting draft legislation to give effect to the U.N. Conventions and by, reportedly, initiating the accession procedure.
27. For **Recommendation 40, art.III** of O.G. 2011 no 96 has amended the Act on the Disclosure of Unusual Transactions (S.B. 2001 No. 65) giving effect to the assessor's recommendation that *the processing of TF related disclosures should be brought within the assignment of the FIU as soon as possible.* Consequently the main task of the FIU has been amended to include the compilation, registration, processing and analysis of data...“important for the prevention and investigation of money laundering, the financing of terrorism and other crimes”. Relative to the recommendation that a legal basis should be provided for information exchange between the CBS and counterparts and supervisors, it was previously noted in this report that with the enactment of the BCSSA this specific gap has been closed. It was also previously noted in this report that the FIU has been relocated to more secure premises and Suriname has reported that “additional IT security measures had been implemented” thereby resulting in the physical protection of the MOT database. The other recommendations by the assessors are the subject of draft legislation and so Recommendation 40 still remains *outstanding*.

28. For **Special Recommendation III**, the legislation required to give effect to the freezing and seizing under the U.N. S/RES/1267(1999) and U.N. S/RES/1373(2001) are the subject of draft legislation and as such this Special Recommendation remains *outstanding*.
29. For **Special Recommendation V**, as insider trading and marketing manipulation are not as yet criminalised the gaps discerned by the assessors are still open. Additionally, Suriname has not indicated whether they have *reconsidered the restrictive interpretation of the dual criminality principle*, as recommended by the examiners. Consequently this Special Recommendation remains *outstanding*.

#### **Other Recommendations**

30. **Recommendations 6, 7, 8, 9, 11, 12, 14, 15, 16, 17, 18, 21, 24, 25, 33, SR VI, SR VII**, are the subject draft amendments and the enactment of regulations.
31. As for **Recommendation 19**, no action has as yet been taken by Suriname.
32. For **Recommendation 20**, Suriname's National AML Commission is currently reviewing the State Decree with a view to establishing transaction and threshold amounts.
33. Suriname has reported that the CBS will issue AML/CFT regulations, pursuant to the newly enacted CSSA, to give effect to the assessors' recommendations for **Recommendation 22**.
34. For **Recommendation 27**, Suriname is reporting that the financial investigative team (FOT) established in April of 2009, consisting of seven (7) investigators, received special training related to ML in 2009, 2010 and 2012. It is not clear to what extent this would close the gaps noted by the assessors. This Recommendation remains *outstanding*.
35. In applying a NC rating for **Recommendation 29**, the assessors had recommended that the CBS should have: i. The general powers to compel production of records and documents relative to monitoring compliance; ii. The authority to conduct inspections of all relevant financial institutions; and iii. Powers of enforcement through sanctions. Suriname has put forward **art. 29, 17 and 55** of the BCSSA as satisfying the requirements with regards to i and ii. whilst iii is the subject draft legislation. This Recommendation remains *outstanding*.
36. For **Recommendation 30**, it was noted earlier in this report that staff of the FIU was increased to twelve (12) persons and the budget for 2012 has been incorporate into the budget of the Ministry of Justice and Police. A senior prosecutor has been appointed to the office of the Attorney General to provide guidance and instructions in the investigations of ML/TF cases. The CBS has considered the recommendation to create a team of examiners specializing in AML/CTF, however, due to limited availability of suitable examiners the CBS has not yet established the specialized group of examiners. The existing team will be expanded to perform the supervision duties under the expanded scope of the new legislation. The examiners will be trained in several aspects of offsite surveillance and onsite examinations including AML/CFT review of credit institutions. The recommendation that CBS consider creating a team of examiners specialising in AML/CFT measures has not as yet been taken on board. This Recommendation continues to remain *outstanding*.

37. Based on Suriname's response to the assessors' four (4) cures for **Recommendation 32**, it is unclear whether the jurisdiction has actually started maintaining statistics and whether such statistic are particularised in accordance with the suggested cures. This Recommendation remains *outstanding*.
38. The shortcomings in relation to **Recommendation 37** and **Recommendation 38** were related to the fact that insider trading, market manipulation and terrorist financing were not criminalised leading to the possibility that related MLA requests could be negatively affected. Terrorist financing has now been criminalised through O.G. 2011 no 96, **art.1A. Art.1C (2)**. However whilst the criminalisation of the other two offences remains in abeyance this gap will also continue to be *open*. The second assessors' recommendation in relation to the "*narrow and legalistic interpretation of the dual criminality principle*" was not specifically addressed in that Suriname has not as yet taken the legislative action which would remove the legal uncertainty on the jurisdiction's capability to execute foreign confiscation orders. This Recommendation remains *outstanding*.
39. For **Special Recommendation VIII**, Suriname has reported that the accession procedure to the U.N. International Convention for the Suppression of the Financing of Terrorism has been initiated. The other assessors' recommendation that U.N. S/RES/1267(1999) and U.N. S/RES/1373(2001) be implemented fully without delay is the subject of draft legislation. This Special Recommendation remains *outstanding*.
40. For **Special Recommendation IX**, Suriname has reported that it plans to introduce a border management system ("BMS") in July 2012. This BMS reportedly will register incoming and outgoing passengers and address threats in the area of terrorism, illegal trade, drugs trafficking and illegal trafficking of immigrants. It is unclear how the introduction of this BMS would give effect to the assessors' recommendations that the jurisdiction choose either a declaration or disclosure system and put systems in place which would allow criminal or terrorist related assets to be discovered. This Special Recommendation remains *outstanding*.

## Conclusion

41. Suriname has begun the process of reform of its AML/CFT infrastructure by enacting new legislation namely the BCSSA and the new act which amended the Criminal Code, the Firearms Act and the Act on the Disclosure of Unusual Transactions. The provisions in these acts have had positive effect on some of the Core and Key and even some 'Other' Recommendations. Other amendments, including amendments to the MOT and WID are in various stages of enactment. Additionally, the tone of the action taken for this reporting period suggests that the competent authorities have been meeting and engaging in the jurisdictions efforts towards implementing the assessors' recommendations.
42. In the context of the overall effect of Suriname's efforts for this period however, it must be noted that all of the Recommendations for which action was required to improve them, still remain outstanding. Suriname has also not provided any data which could speak to the implementation of the existing provisions.
43. Given all of the above, Plenary is being asked to encourage Suriname to accelerate the pace of its reform. It is recommended that Suriname be kept in the

first stage of enhanced follow up and asked to report back to the November 2012  
Plenary.

CFATF Secretariat  
May 2012

**Matrix With Ratings And Follow-Up Plan 3<sup>rd</sup> Round Mutual Evaluation**  
**Suriname (Reconstructed by the Secretariat with data from the Action Plan of March 28<sup>th</sup>, 2012)**

Forty Recommendations	Rating	Summary of factors underlying rating <sup>1</sup>	Recommended Action	Action Undertaken
<b>Legal systems</b>				
1. ML offence	PC	<ul style="list-style-type: none"> <li>• Not all designated categories of predicate offences are covered in the absence of the criminalization of ‘terrorism and financing of terrorism’ and ‘insider trading and market manipulation’ in Suriname penal legislation;</li> <li>• It is virtually impossible to do any assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</li> <li>• Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	<ol style="list-style-type: none"> <li>i. It is recommended that legislation is adopted to make insider trading and market manipulation and terrorism and the financing of the same offences under Surinamese laws.</li> <li>ii. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</li> </ol>	<p>The new elected government who came in office August 2010, has reviewed all draft legislation, and so far, the draft legislation on FT is not yet presented to the new Parliament.</p> <p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p> <p><b>Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) (CFT legislation) came into force on July 30, 2011. In the legislation also amendments were made regarding the</b></p>

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

				<p>Fire arms act (art. II) and the act regarding suspicious transactions (MOT Act art. III). In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). That also includes acts in preparation of activities related to terrorism.</p> <p>Through the Strategic Implementation Planning (SIP) meeting, a high level meeting of the identified stakeholders was held on August 29, 2011, chaired by the Minister of Justice and Police. This high level meeting was a planning meeting.</p> <p>The (2nd) SIP meeting was held on February 23 2012, with members of the stakeholders from Customs, Immigration, Police, FIU, the Prosecutor's office, Justice and Police, Parliament, CBS, Foreign Affairs and the Gaming Board.</p> <p>The stakeholders committed their self to function as a response forum with remote and feedback function. By networking with the AML commission the aspect of keeping comprehensive statistics will be addressed.</p>
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<p>2. ML offence – mental element and corporate liability</p>	<p>LC</p>	<ul style="list-style-type: none"> <li>• It is virtually impossible to do any assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</li> <li>• Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	<p>i. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p>	<p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p>
<p>3. Confiscation and provisional measures</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• No legal basis for the confiscation of TF related assets, in the absence of a TF offence</li> <li>• It is impossible to assess the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</li> </ul>	<p>i. The two shortcomings are the fact that the FT is no offence under Surinamese laws, and there are no statistics available to see how effective the legislation is in practice.</p>	<p>As soon as the new Parliament (which was installed in June 2010) has adopted the act on FT, comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, to see how effective the legislation is in practice.</p> <p>Terrorism has been penalized in art. I A of the Act dated July 29, 2011 (O.G. 2011 no. 96). The financing of terrorism is penalized in art. IC of the same act, in which art.71a was added to the Penal Code.</p> <p>Provisional and confiscation measures also related to TF are addressed,</p>

				respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>• While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally.</li> <li>• There are no measures for the sharing of information between financial institutions as required by Recommendations 7 and 9 and Special Recommendation VII.</li> </ul>	<p>i. The assessment team recommends that the relevant competent authorities in Suriname be given the ability to share locally and internationally, information they require to properly perform their functions.</p>	<p>Article 9 of the MOT act will be revised in order to make sharing of information possible, both, locally and internationally.</p> <p>The Banking and Credit System Supervision Act, which entered into force November on 23rd 2011, gives the CBS the authority to enter into information exchange agreements (MOU's) with supervisory authorities abroad (art. 46).</p> <p>Legislation has been drafted to amend article 9 of the MOT Act, making it possible to share information between law enforcement agencies on both levels, locally and internationally. The draft legislation is approved by the Council of Ministers on January 10, 2012 and was sent to the State Advisory Council on January 30th 2012.</p>
5. Customer due diligence	NC	<ul style="list-style-type: none"> <li>• All financial institutions should be fully and effectively brought under AML and CFT regulation and especially</li> </ul>	Suriname should implement the following elements from Recommendation 5 which have not been fully addressed:	CBS is preparing a draft regarding the introduction of guidelines, including CDD measures, for the financial sector.

		<p>under the broad range of customer due diligence requirements. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology.</p> <ul style="list-style-type: none"> <li>• Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</li> <li>• There is no legal requirement to undertake CDD measures in cases where there is a suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data.</li> <li>• There is no legal requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a</li> </ul>	<ol style="list-style-type: none"> <li>i. All financial institutions should be fully and effectively brought under AML and CTF regulation and especially under the broad range of customer due diligence requirements;</li> <li>ii. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology;</li> <li>iii. Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</li> <li>iv. The requirement to undertake CDD measures in cases where there is a suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data;</li> <li>v. The requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a legal arrangement such as</li> </ol>	<p>I The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER with regard to: Comprehensive CDD requirements, Peps, cross border correspondent banking, none face to face transactions, KYC regarding third parties and beneficiaries, recordkeeping, enhanced due diligence on high risk and complex transactions.</p> <p>II Legislation has been drafted to amend the MOT Act and the WID Act, art. 1, in order to bring the definition of financial activities in accordance with the FATF Methodology.</p> <p>III In the draft legislating amending the WID Act, ART. I sub B amendments are made to art. 2, requiring CDD measures when carrying out wire transfers for occasional transactions.</p> <p>IV In the draft legislating amending the WID</p>
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	<p>legal arrangement such as a trust.</p> <ul style="list-style-type: none"> <li>• There is no legal requirement regarding identification and verification of the beneficial owner of a legal person.</li> <li>• There is no legal requirement to obtain information on the purpose and intended nature of the business relationship.</li> <li>• No specific requirement to perform ongoing due diligence on business relationships.</li> <li>• Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions.</li> <li>• There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt.</li> <li>• There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk.</li> <li>• When regulating the identification and verification of beneficial owners, a requirement to stop the financial</li> </ul>	<p>a trust;</p> <ul style="list-style-type: none"> <li>vi. The requirements regarding identification and verification of the beneficial owner for legal persons, including the obligation to determine the natural persons who ultimately own or control the legal person;</li> <li>vii. The obligation to obtain information on the purpose and intended nature of the business relationship;</li> <li>viii. No specific requirement to perform ongoing due diligence on business relationships;</li> <li>ix. Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions;</li> <li>x. There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt;</li> <li>xi. There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk;</li> <li>xii. When regulating the identification and verification of beneficial owners, a requirement to stop the financial</li> </ul>	<p>Act, ART. I sub F and G amendments are made to art. 4 and 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>V</p> <p>In the draft legislating amending the WID Act, ART. I sub E a new art. 3a is added, regarding CDD measures for Suriname and foreign legal persons.</p> <p>VI</p> <p>In the draft legislating amending the WID Act, ART. I sub G provisions has been included regarding the identification requirements of the beneficial owner for legal persons.</p> <p>VII</p> <p>In the draft legislating amending the WID Act, ART. I sub D amendments are made to art. 3, with the obligation to obtain information regarding the purpose and nature of the business relation.</p> <p>VIII</p>
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		<p>institution from opening an account, commence business relations or performing transactions when it is unable to identify the beneficial owner satisfactorily is needed.</p> <ul style="list-style-type: none"> <li>• There is no legal requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</li> </ul>	<p>institution from opening an account, commence business relations or performing transactions when it is unable to identify the beneficial owner satisfactorily.</p> <p>xiii. The requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</p>	<p>In the draft legislating amending the WID Act, ART. I sub</p> <p>G amendments are made to art. 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>IX</p> <p>In the draft legislating amending the WID Act, ART. I sub</p> <p>F amendments are made to art. 4 for enhanced due diligence on higher risk categories of customers, business relations and transactions.</p> <p>X</p> <p>In the draft legislating amending the WID Act, ART. I sub K adds a new art. 10 requiring special attention regarding business relations and transactions with natural and legal persons from countries or territories with none or less compliance with international recommended AML/CFT requirements.</p> <p>XI</p> <p>In the draft legislating amending the WID Act, ART. I sub</p> <p>F and G amendments are made to art. 4 and 6, in order to apply CDD measures to existing</p>
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				<p>clients on the basis of the business relationship or nature and higher risks of transactions to be conducted.</p> <p><b>XII</b></p> <p>In the draft legislating amending the WID Act, ART. I sub C adds a new article 2a section 3 and 4, prohibiting a transaction to be conducted if identification and verification of the client pose difficulties and as a last resort the business relation can be terminated.</p> <p><b>XIII</b></p> <p>In the draft legislating amending the WID Act, ART. I sub C adds a new article 2a section 4 which requires termination of the business relationship.</p> <p>Accordingly the business relation will be terminated.</p>
6. Politically exposed persons	NC	<ul style="list-style-type: none"> <li>Suriname has not implemented any AML/CDD measures regarding the establishment and maintenance of customer relationships with</li> </ul>	<ul style="list-style-type: none"> <li>Suriname should implement the necessary requirements pertaining to PEPs.</li> </ul>	<p>Legislation has been drafted to amend article 1, art. 4 and art. 9 of the WID act, in order to include AML/CDD measures regarding PEPs. The draft legislation has been presented to the</p>

		politically exposed persons (PEP's).		State Advisory Council. The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER with regard to comprehensive CDD requirements for Peps.
7. Correspondent banking	NC	<ul style="list-style-type: none"> <li>There are no legal requirements applicable to banking relationships.</li> </ul>	<p>i. With regard to correspondent banking, financial institutions should be required to determine that the respondent institution's AML/CFT controls are adequate and effective, and regarding payable through accounts, to be satisfied that the respondent has performed all normal CDD obligations.</p>	<p>Legislation has been drafted to amend article 1, 4, 13 and 14 of the WID act, introducing legal requirements applicable to correspondent banking relationship. This draft legislation has been presented to the State Advisory Council.</p> <p>The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER with regard to comprehensive CDD requirements related to cross border correspondent banking.</p>
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> <li>The (legal) requirement for financial institutions to have policies in place or take such measures as may be needed to prevent misuse of technological developments in ML or TF schemes is not covered.</li> </ul>	<p>Suriname should also implement the necessary requirements pertaining non-face to face business relationships or (ongoing) transactions.</p> <p>In addition, steps should be taken to ensure that financial institutions have policies in place or take such measures as may be needed to prevent the misuse of technological developments in ML or TF schemes.</p>	<p>Legislation has been drafted to amend article 11 of the WID act, which will require financial institutions to pay special attention to ML/TF threats that can arise from new or developing technologies and to have policies and procedures in place to address specific risks associated with non face to face business relations or transactions.</p> <p>This draft legislation has been presented to the State Advisory Council.</p>

				These non-face to face businesses will also be addressed by the CBS AML/CFT regulations and are among others: internet banking, phone banking, POS payments, reloadable or account-linked value cards.
9. Third parties and introducers	NC	<ul style="list-style-type: none"> <li>• There is no legal provision that addresses the reliance on intermediaries or third party introducers to perform some of the elements of the CDD process or to introduce business.</li> <li>• Financial institutions are not required to take adequate steps to satisfy themselves that copies of the relevant documentation will be made available from the third party upon request without delay</li> <li>• There is no requirement that the financial institution must be satisfied that the third party is regulated and supervised and has measures in place to comply with the CDD requirements.</li> <li>• In determining in which countries the third party that meets the conditions can be based, competent authorities do not take into account information available on whether those countries adequately apply the FATF Recommendations.</li> </ul>	<p>i. If financial institutions are permitted to rely on third parties or introducers the Surinamese legislation needs to be adjusted accordingly. If financial institutions are not permitted to rely on third parties or introducers for some elements of the CDD process, the law or regulation should specify this</p>	<p>Legislation has been drafted to amend article 12 of the WID act, permitting financial institutions to rely on introducers for CDD measures. The ultimate responsibility for customer identification and verification remains with the financial institution.</p> <p>The draft legislation has been presented to the State Advisory Council.</p> <p>The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER which contain criteria for financial institutions who rely on intermediaries.</p>

		<ul style="list-style-type: none"> <li>• There is no legal provision that indicates that the ultimate responsibility for customer identification and verification remains with the financial institution relying on the third party.</li> </ul>		
10. Record keeping	PC	<ul style="list-style-type: none"> <li>• No requirement to keep all documents recording the details of all transactions carried out by the client in the course of an established business relationship.</li> <li>• No requirement to maintain account files and correspondence for at least five years following termination of an account or relationship.</li> <li>• No general requirement in law or regulation to keep documentation longer than 7 years if requested by a competent authority.</li> <li>• There is no general requirement for financial institutions to ensure that all customers and transactions records and information are available on a timely basis to domestic competent authorities upon appropriate authority.</li> </ul>	<p>i. There should be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, and a requirement to keep all documents longer than 7 years (if requested to do by an competent authority).</p> <p>ii. There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.</p>	<p>The ministry of Justice and Police has prepared draft legislation in which this aspect of record keeping has been taken care of. In this regard article 8 of the ID law will be amended so that there will be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, longer than 7 years (if requested to do by an competent authority).</p> <p><b>I</b>  <b>Legislation has been drafted to amend article 8 of the WID Act, in order to make it possible to continue recordkeeping of details regarding transactions which has been carried out by a client, for a period longer than 7 years, once requested by a competent authority. The draft legislation was sent to the State Advisory Council January 30th 2012.</b></p>
11. Unusual	NC	<ul style="list-style-type: none"> <li>• No requirement to pay special attention</li> </ul>	<p>i. There should be a requirement for</p>	<p><b>Legislation has been drafted to amend article</b></p>

<p>transactions</p>		<p>to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</p> <ul style="list-style-type: none"> <li>• The obligation to examine as far as possible the background and purpose of the transaction and to set forth the findings in writing is not dealt with explicitly in the legislation.</li> <li>• No specific requirements for financial institutions keep findings regarding examinations about complex, unusual large transactions available for competent authorities and auditors for at least five years</li> </ul>	<p>financial institutions to pay special attention to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</p> <p>ii. There should be requirement for financial institutions to examine as far as possible the background and purpose of the transaction and to set forth the findings in writing and to keep these findings available for competent authorities and auditors for at least five years.</p>	<p>10 of the WID act, whereby financial institutions will be required to pay special attention to all complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or feasible lawful purpose.</p> <p>The background and purpose of such transactions should be examined, the findings should be established in writing and be available for competent authorities for seven years. Upon request of a competent authority, the findings should be available for a longer period.</p> <p>The draft legislation has been presented to the State Advisory Council.</p> <p>The CBS AML/CTF regulations will also address the aspects of complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.</p>
<p>12. DNFBP – R.5, 6, 8-11</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• The ID law does not contain any provisions with regard to the supervision of DNFBPs on their compliance with their obligations pursuant to the ID law;</li> <li>• There is a significant lack of guidance to the DNFBPs as to the proper</li> </ul>	<p>Suriname should modify the ID law in order for it to cover the full range of CDD measures as set out in the FATF standards</p> <p>Suriname should introduce in the ID law or in another law provisions regarding the</p>	<p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore</p>

		<p>application of the identification obligations pursuant to the ID law;</p> <ul style="list-style-type: none"> <li>• There is no public entity or government agency explicitly tasked with guidance and supervision for DNFBPs with respect to their obligations under the ID law;</li> <li>• The ID law lacks an effective sanctioning system;</li> <li>• The above leads to an overall problem of effectiveness of the ID law in so far as it concerns DNFBPs;</li> <li>• The registration system for legal persons is not always adequate, thereby hampering certain DNFBPs to properly identify the persons behind a legal person involved in a transactions</li> <li>• The ID law does not contain specific provisions regarding the identification by the DNFBPs of the ultimate beneficiary owner;</li> <li>• The ID law does not contain explicit provisions regarding transactions carried out by DNFBPs involving ultimate beneficiary owner;</li> <li>• DNFBP-specific laws such as the new Law on lawyers, which may provide for useful additional identification</li> </ul>	<p>supervision of the DNFBPs on their compliance with the identification requirements of the ID law. In doing so Suriname should set out the supervisory instruments and powers, and designate a public entity or government agency tasked with the actual supervision of DNFBPs.</p> <p>Suriname should introduce in the ID law or in another law provisions enabling effective, proportionate and dissuasive sanctioning of non-compliance by DNFBPs with their obligations pursuant to the ID law. More specifically Suriname should consider the introduction of administrative sanctioning of violations of the ID-law by DNFBPs next to the existing general criminal sanctioning provision of article 10 of the ID law. In doing so Suriname should also designate a public entity or government agency tasked with the imposition of the administrative sanctions on non-compliant DNFBPs.</p> <p>Suriname should provide proper, continuous and effective guidance to the DNFBPs on the purpose and compliance with the ID law, in order to raise their awareness of their obligations and</p>	<p>the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p> <p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p> <p><b>A new article 22 has been added to the MOT Act, regarding supervision of the DNFBP's, respectively the Gaming Board for the casinos and lotteries and MOT to supervise the other</b></p>
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		<p>requirements, have not been fully implemented;</p> <ul style="list-style-type: none"> <li>• The ID law requires only civil notaries, accountants and lawyers to establish the transaction amount when recording additional personal data of the customer</li> </ul>	<p>responsibilities under the ID law and to facilitate and enhance their compliance.</p> <p>The ID law should contain more specific provisions for the identification of the ultimate beneficiary owners involved in transactions carried out by DNFBPs. DNFBPs should also be required to understand the ownership and control structure of the customers, and to determine who are the natural persons that ultimately own or control the customer.</p> <p>Article 4, first section, of the ID law, which deals with identification of natural persons acting on behalf of a customer, requiring DNFBPs in the process to establish the identity of such a natural person prior to the provision of a <u>financial</u> service, should be modified so as to requiring identity establishment of a natural person acting on behalf of another when providing a service as meant in paragraph d of article 1 of the ID law.</p> <p>Article 7, second section, of the ID law should be expanded to require other DNFBPs besides currently civil notaries, accountants and lawyers, to record the</p>	<p>DNFBP's as mentioned in the Act.</p> <p>The supervisory authorities may impose sanctions once a service provider does not comply with the guidelines.</p> <p>In the WID Act a new art. 3a has been added regarding special CDD measures relating to local and foreign legal persons, public corporations and religious organizations.</p> <p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p>
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			<p>transaction amount as part of the identification requirements pursuant to article 7 and 3 of the ID law.</p> <p>Suriname should improve its registration system for legal persons, especially for foundations, in order to better enable DNFBPs to better comply with their identification obligations under the ID law. Additionally, measures, including legal ones, should be taken to better enable DNFBPs to identify the ultimate beneficiary owner through the legal persons registration system.</p> <p>Suriname should consider bringing the scope of the ID requirements for casinos, real estate agents, dealers in precious metals, dealers in precious stones, lawyers, civil notaries, accountants and other DNFBPs in accordance with essential criterion 12.1. This means introducing a monetary threshold for casinos, dealers in precious metals and dealers in precious stones, as well as a</p>	<p>Draft legislation is prepared to modify the ID law so as to require identity establishment of a natural person acting on behalf of another when providing a service as meant in paragraph d of article 1 of the ID law.</p>
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			<p>description of activities for real estate agents, lawyers, civil notaries, accountants and other legal professionals, for activities subject to the identification requirements.</p> <p>Suriname should fully implement the Law on lawyers. In doing so, Suriname might consider to have an order decree pursuant to article 34 of this law enacted with provisions on the identification of clients by lawyers, thereby further strengthening the identification framework for lawyers. Suriname may also consider introducing similar provisions for other professionals such as civil notaries and accountants</p>	
13. Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• The reporting obligation does not cover transactions related to insider trading and market manipulation as these are not predicate offences for money laundering in Suriname.</li> <li>• There is no requirement to report suspicious transactions related to terrorist financing because the legislation on TF is not yet in place.</li> <li>• Not <u>all</u> institutions and DNFBBs that have a reporting requirement are fully</li> </ul>	<p>The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</p> <p>The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism.</p>	

		<p>aware of this requirement.</p> <ul style="list-style-type: none"> <li>• There is a concern on the quality of STRs under the objective criteria, since quite a lot of STRs do not contain the information as prescribed by article 12.2 of the MOT Act; only 32 out of 101 institutions file STRs that comply with the article 12.2 of the MOT Act.</li> <li>• There is a concern on the delay of STRs reported under the objective criteria; since this is virtually always done by using fixed period intervals, rather than without delay, as required by the MOT Act.</li> <li>• Reporting institutions mainly rely in the objective criteria to report and pay little or no attention to elements that would make a transaction suspicious.</li> <li>• Overall serious concern about the effectiveness of the system</li> </ul>	<p>The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions”</p> <p>The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</p> <p>The authorities should consider whether the obligation to report unusual transactions “without delay” is sustainable.</p> <p>The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance.</p> <p>The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>Art 12 MOT Act already incorporates attempted unusual transactions.</p> <p>Art. 12.2 Mot act will be amended.</p> <p>FIU already started with awareness raising sessions for some DNFBP’s, and will continue throughout 2011.</p> <p>FIU already started with awareness raising sessions for some DNFBP’s, and will</p>
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				<p>continue throughout 2011.</p> <p><b>II</b></p> <p>Based on art. III sub C of the CFT legislation (OG 2011 no. 96)</p> <p>UTR's should be filed with the FIU regarding transactions, which are suspected to be related to terrorism, terrorist acts of terrorists organizations.</p> <p><b>III</b></p> <p>Art. 12 of the MOT Act, explicitly requires reporting of all unusual transactions or attempted unusual transactions.</p> <p><b>IV</b></p> <p>Art. 12 of the MOT Act has been redrafted and UTR's can be filed electronically.</p>
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				<p>V</p> <p>Enforcement of reporting transactions without delay will be supervised by the authorities mentioned in art. 22 of the draft MOT Act.</p> <p>VI</p> <p>Legislation has been drafted to amend the MOT Act. Art. 22 has been added which gives the FIU the supervision over the DNFBP's.</p> <p>VII</p> <p>The FIU continues its awareness raising sessions with financial institutions and DNFBP's</p>
14. Protection & no tipping-off	PC	<ul style="list-style-type: none"> <li>No compliance with the prohibition by law to disclose the fact that a UTR or related information is being reported or provided to the FIU, is not enforced by sanctions, as Suriname is lacking effective AML/CFT supervision.</li> </ul>	Violation of the prohibition against tipping-off should be enforced by sanctions.	<p>Art 22 and 23 of the Mot act, include sanctions in case of tipping-off.</p> <p>Legislation has been drafted to amend art. 25 of the MOT Act prohibiting disclosure of data and information given or received in relation to the MOT Act, including data related to UTR's as</p>

				<p>mentioned in art. 12 sub 1. Violation of this prohibition is sanctioned in art. 21 of the MOT Act. The draft legislation had been presented to the State Advisory Council.</p> <p>The CBS AML/CTF regulations will also address the aspects of protection and no tipping off.</p>
15. Internal controls, compliance & audit	NC	<p>No general enforceable requirements to:</p> <ul style="list-style-type: none"> <li>• Establish and maintain internal procedures, policies and controls to prevent money laundering and to communicate them to employees;</li> <li>• Designate compliance officers at management level;</li> <li>• Ensure compliance officers have timely access to information;</li> <li>• Maintain an adequately resourced and independent audit function to test compliance with AML/CFT procedures, policies and controls;</li> <li>• Establish ongoing employee training;</li> <li>• Put in place screening procedures;</li> <li>• Ensure high standard when hiring employees.</li> </ul>	i. The Surinamese authorities need to ensure that Recommendation 15 in all its aspects is clearly required by law, regulation or other enforceable means all of which requirements should be capable of being sanctioned.	<p>The Bank is in the process of redrafting the AML regulations in line with the recommendations of the MER.</p> <p>The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER, which will include regulations on the internal control, compliance and audit. The regulations will introduce a formal requirement for the financial sector to appoint a compliance officer, who will be responsible for the design and implementation of the compliance policy.</p>
16. DNFBP – R.13-15 & 21	NC	<ul style="list-style-type: none"> <li>• The same deficiencies and shortcomings detected in the MOT legislative framework and its implementation with respect to the</li> </ul>	Suriname should address the deficiencies and shortcomings noted in sections 2.5 and 3.7 regarding the functioning of the	Art 12 sub 1 of the MOT Act was amended in order to include UTR's based on TF (Art. III of the Terrorist Act (O.G. 2011 no. 96).

		<p>financial institutions recur with the DNFBPs. These include the absence of TF-related provisions, of compliance supervision, effective, proportionate and dissuasive sanctions to enforce compliance and the lack of clear and effective guidance;</p> <ul style="list-style-type: none"> <li>• Due to practical constraints the FIU has been focusing primarily on financial institutions, further compromising the effectiveness of the reporting system for DNFBPs;</li> <li>• The definition of legal professionals services in the MOT Act and the Decree Indicators Unusual Transactions is excessive while the legal professional secrecy of lawyers and civil notaries has not been taken into account;</li> <li>• Only certain groups of DNFBPs or individual DNFBPs submit unusual transactions reports to the FIU;</li> <li>• Deficient reporting of unusual transactions in which only unusual transactions based on objective</li> </ul>	<p>FIU and the application and enforcement of the provisions of the MOT Act and the Decree Indicators Unusual Transactions, since these are equally applicable to the DNFBPs. These include, but is not limited to, DNFBPs should also be required to understand the ownership and control structure of the customers, and to determine who are the natural persons that ultimately own or control the customer the introduction of adequate compliance supervision provisions in the MOT Act and the introduction of effective, proportionate and dissuasive sanctions in the MOT Act. The latter could be done by introducing administrative sanctions in the MOT Act.</p> <p>More specifically, Suriname should provide adequate and continuous guidance to the DNFBPs in order to reach and maintain satisfactory compliance with the MOT Act and the Decree Indicators Unusual Transactions. This guidance should have as one of its primary objectives the prompt and continuous reporting of transactions based on the subjective indicators as well as transactions based on the objective indicators.</p>	<p>Reporting by DNFBP's of ML/TF is based on art. 12 sub 1 of the MOT Act.</p> <p>Art. 22 sub 1c of the draft MOT Act gives MOT the supervision over DNFBP's. Art 22 sub 2 gives MOT the authority to introduce AML/CFT guidelines.</p> <p>Art. 22 sub 3 and sub 4 introduces administrative sanctions.</p> <p>Art. 1 sub d of the MOT Act. has been amended in order to include a wide range of services performed by DNFBP's.</p> <p>This draft legislation has been presented to the State Advisory Council.</p>
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		<p>indicators containing monetary thresholds are reported, while unusual transactions based on subjective indicators are not reported at all;</p> <ul style="list-style-type: none"> <li>• No requirement with respect to the presence of AML/CFT programs as required by Recommendation 15;</li> <li>• Absence of measures or legal basis for such measures with respect to countries that do not or insufficiently comply with the FATF Recommendations.</li> </ul>	<p>Suriname should bring the definitions of services by lawyers, civil notaries and other legal professionals in the MOT Act and Decree Indicators Unusual Transactions in line with the circumstances set out in essential criterion 16.1 of the Methodology. While doing so Suriname should also take the legal professional secrecy of lawyers and civil notaries into account.</p> <p>Suriname should consider lowering the threshold amounts mentioned in the relevant objective indicators in order to better reflect the current realities of the Surinamese financial-economic situation, thereby increasing the amount of reports to be received pursuant to these indicators.</p> <p>It should be noted that a significant amount of subjective indicators described in the various categories are very broad and actually do not relate with the typical activities pursued by the relevant DNFBPs. For example, the subjective indicators for legal professionals cover various services which are typically financial services but are not services provided by legal professionals. Reference can be made to sections 7 up to</p>	
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			and including 11 of the subjective indicators for legal professionals (category F of article 3 of the Decree Indicators Unusual Transactions). Suriname should address this issue in order to ensure effective reporting based on the subjective indicators.	
17. Sanctions	NC	<ul style="list-style-type: none"> <li>The range of sanctions is not sufficiently broad. There are no administrative sanctions, which can be imposed against financial institutions, directors, controlling owners and senior management of financial institutions directly for AML/CFT breaches. The available sanctions do not include the possibility to directly bar persons from the sector. Currently, there is not the general possibility to restrict or revoke a license for AML/CFT violations.</li> <li>No requirement to report suspicion of terrorist financing and consequently no supervision of this issue.</li> <li>The effectiveness of the overall sanctioning regime, at present, is questioned because penal sanctions have not been imposed for AML failings.</li> </ul>	<ol style="list-style-type: none"> <li>The assessment team recommends to include administrative (e.g. fines) or civil sanctions in the AML/CFT framework, which are in practise easier enforceable and in practice more effective than penal provisions.</li> <li>The range of sanctions should be broadened with administrative sanctions for financial institutions, DNFbps, for directors and senior management of financial institutions, to include the more direct possibility to bar persons from the sector, to be able to more broadly replace or restrict the powers of managers, directors, or controlling owners for AML &amp; CFT breaches. In addition, there should be the possibility to restrict or revoke a license for AML and CFT violations.</li> </ol>	<p>Art. 21 and 22 of the draft MOT Act includes a wide range of penal and administrative sanctions to deal with natural and legal persons mentioned as service providers in the act, that fail to comply with AML/CFT requirements.</p> <p>This draft legislation has been presented to the State Advisory Council.</p> <p>Based on art. 16 of the Banking and Credit system Supervision Act (O.G. 2011 no. 155), the CBS has the authority to issue AML/CFT regulations for financial institutions.</p> <p>Art. 56 of the Banking and Credit system Supervision Act, enables the CBS to impose fines for breaches of AML/CTF regulations.</p> <p>Based on art. 11 sub 1h of the Banking and Credit system Supervision Act the CBS will be able to revoke a license of a financial institution for violations of AML/CTF regulations.</p>
18. Shell banks	PC	<ul style="list-style-type: none"> <li>Measures to prevent the establishment</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should review its laws,</li> </ol>	<p>Legislation has been drafted to amend the</p>

		<p>of shell banks and to prevent financial institutions to enter into or continue a correspondent banking relationship with shell banks are not sufficiently explicit.</p> <ul style="list-style-type: none"> <li>• There is no specific enforceable obligation that requires financial institutions to satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks</li> </ul>	<p>regulations, and procedures and implement a specific requirement that covers in a formal way, the prohibition on the establishment or continued operation with shell banks.</p> <p>ii. There should a specific enforceable obligation on financial institutions to reassure themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks.</p>	<p>WID Act, art. 1 and 14, prohibiting financial institutions to enter into a correspondent bankrelation or to establish relations with shell banks.</p> <p>Financial institutions should also ensure that their foreign correspondent relations do not have accounts with, or facilitate shell banks.</p> <p>This draft legislation has been presented to the State Advisory Council.</p> <p>The CBS has already drafted AML/CTF regulations prohibiting financial institutions to have correspondent bankrelationships with shell banks.</p>
19. Other forms of reporting	NC	<ul style="list-style-type: none"> <li>• Feasibility and utility of CTR or threshold reporting has not been considered</li> </ul>	<p>i. Suriname should <u>consider</u> the feasibility and utility of implementing a system where financial institutions report <u>all</u> transactions in currency above a fixed threshold to a national central agency with computerized database.</p>	
20. Other NFBP & secure transaction techniques	PC	<ul style="list-style-type: none"> <li>• Although real estate agents and car dealers are also subject to basically the same legal identification and reporting obligation as the DNFBPs meant in R.12 and R.16, the same legal and practical deficiencies are</li> </ul>	<p>i. Suriname is urged to correct the deficiencies discussed in sections 4.1 and 4.2 of this report which are also present with respect to the real estate agents and car dealers.</p>	<p>The National AML commission is reviewing the state decree regarding the transaction amounts that are required for all designated non financial businesses and professionals. Also the threshold amounts will be reviewed.</p>

		<p>present;</p> <ul style="list-style-type: none"> <li>• No obligation in the ID law for real estate agents and car dealers to establish the transaction amounts during the identification of their clients;</li> <li>• Threshold for reporting of unusual transactions based on monetary objective indicator is too high;</li> <li>• No measures are currently present encouraging the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering.</li> </ul>	<ul style="list-style-type: none"> <li>ii. Suriname should require the transaction amounts to be established as well when real estate agents and car dealers establish the identity of a client pursuant to the ID law.</li> <li>iii. Suriname should also consider lowering the threshold amounts mentioned in Decree Indicators Unusual Transactions in order to improve the amounts of reports received based on the objective indicators.</li> <li>iv. As Suriname has a largely cash-based economy with a fairly large informal component it is encouraged to introduce measures for the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering</li> </ul>	
21. Special attention for higher risk countries	NC	<ul style="list-style-type: none"> <li>• No obligation to examine as far as possible the background and purpose of transactions with persons from countries which do not or insufficiently apply FATF Recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>i. Suriname should issue a law or regulation to implement the requirements of Recommendation 21.</li> </ul>	<p>Legislation has been drafted to amend the WID Act, art. 4 and 10, introducing legal requirements to pay special attention to transactions with persons and institutions from high risk countries.</p>

		<ul style="list-style-type: none"> <li>• No specific requirements to keep written findings available to assist competent authorities and auditors.</li> <li>• No provision for the financial institutions to apply appropriate counter-measures against countries which do not or insufficiently apply the FATF.</li> </ul>		<p>This draft legislation has been presented to the State Advisory Council.</p> <p>The CBS has already drafted AML/CTF regarding transactions with countries that are considered to be high risk.</p>
22. Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> <li>• There is no general obligation for all financial institutions which ensures their branches and subsidiaries observe AML/CFT measures consistent with home requirements and the FATF Recommendations to the extent that host country laws and regulations permits;</li> <li>• There is no requirement to pay particular attention to situations where branches and subsidiaries are based in countries that do not or insufficiently apply FATF Recommendations;</li> <li>• Provision should be made that were minimum AML/CFT requirements of the home and host countries differ, branches and subsidiaries in host countries should be required to apply the higher standard to the extent that local (i.e. host country) laws and regulations permit;</li> </ul>	<ol style="list-style-type: none"> <li>1) There should be a binding obligation on all financial institutions: <ol style="list-style-type: none"> <li>i. To pay particular attention to the principle with respect of countries which do not or insufficiently apply FATF Recommendations;</li> <li>ii. Where the minimum AML/CFT requirements of home and host country differ to apply the higher standard to the extent that host country laws permit;</li> <li>iii. To inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</li> </ol> </li> </ol>	<p>In accordance with art. 16 of the Bank and Credit System Supervision Act, the Central Bank will issue AML/CTF regulations that will address the requirement for credit institutions to ascertain that said regulations also apply to their foreign branches and subsidiaries. If standards of the foreign country are higher, the highest standard should apply, notwithstanding the requirements of the home country.</p>

		<ul style="list-style-type: none"> <li>No general obligation to inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</li> </ul>		
23. Regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>Relevant supervisory authority has not been designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBPs with AML/CFT requirements.</li> <li>The money &amp; value transfer companies, money exchange offices and stock exchange are not subject to AML/CFT supervision.</li> <li>Money transfer offices and money exchange offices are not registered or licensed and appropriately regulated.</li> <li>No requirement to report suspicion of terrorist financing and consequently no supervision of this issue.</li> </ul>	<ol style="list-style-type: none"> <li>A relevant supervisory authority should be designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBPs with AML/CFT requirements.</li> <li>There should be a general requirement for money transfer offices and money exchange offices to be licensed or registered. In addition, money transfer offices and money exchange offices should also be made subject to a system for monitoring and ensuring compliance with the AML/CFT requirements.</li> <li>Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT purposes.</li> </ol>	<p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p> <p><b>I</b></p> <p><b>Legislation has been drafted to amend the MOT Act. Art. 22 has been added, giving supervisory authority to:</b></p> <ol style="list-style-type: none"> <li>CBS for the financial sector</li> <li>The Gaming Board for the gaming industry</li> <li>FIU for all other DNFBP's.</li> </ol>

				<p><b>II</b></p> <p>CBS is drafting an Act on the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs).</p> <p>Under the new legislation the CBS will be the sole licensing authority for MTOs and MEOs.</p> <p><b>III</b></p> <p>The CBS is preparing legislation regarding supervision of the stock exchange and securities firms.</p>
24. DNFBP regulation, supervision and monitoring -	NC	<ul style="list-style-type: none"> <li>• No AML/CFT based regulation and supervision of casinos currently present.</li> <li>• No adequate regulatory and monitoring measures regarding AML/CFT in place for the other categories of DNFBPs currently operating in Suriname</li> </ul>	<p>i. Suriname should effectively introduce as soon as possible an AML/CFT-based regulation and supervision of casinos in accordance with Recommendation 24. This includes the institution of a regulatory body with adequate powers and operational independence, and invested with sanctions instruments that are effective, proportionate and dissuasive</p> <p>ii. As for lawyers, Suriname should fully implement the Law on Lawyers, a.o. by making the Bar Association operational and providing this entity with all the</p>	<p>In the draft MOT Act art. 22 sub 1b had been added, which appoint the Gaming Board as the supervisory authority for casinos and lotteries.</p> <p>As supervisory authority the Gaming Board can issue AML/CFT guidelines.</p> <p>In art. 22 sub 1c MOT is appointed as the supervisory authority for all others DNFBP's, and is authorized to issue AML/CFT guidelines.</p>

			<p>instruments described in the Law. In doing so, Suriname should consider having the Bar Association issue one or more bar decrees on AML/CFT matters which complement and support the current AML/CFT system set out in the ID law and the MOT Act. Suriname should also consider to remove the current ministerial authority set out in article 34 of the Law on Lawyers to annul a bar decree within a given period as this clearly undermines the independent status of the Bar Association.</p> <p>iii. Suriname should consider introducing SRO-style bodies for other (legal) professionals, such as civil notaries, accountants and tax advisors, with mandatory membership and authority to regulate and supervise these professionals. Given the total amount of for example civil notaries (currently 19 against a legal maximum of 20) this does seem quite feasible.</p>	
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25. Guidelines & Feedback	PC	<ul style="list-style-type: none"> <li>• There is no requirement for the FIU to provide the financial institutions and DNFBPs with adequate and appropriate information on current ML and TF techniques, methods and trends (typologies) and sanitised examples of actual money laundering and terrorist financing cases.</li> <li>• There is no requirement for the FIU to provide the financial institutions and DNFBPs with an acknowledgement of receipt of the UTRs and whether a report is subject to legal principles, if a case is closed or completed, and if information is available, information on the decision or result.</li> <li>• No guidelines present for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements</li> </ul>	<ol style="list-style-type: none"> <li>i. Suriname is strongly urged to introduce guidelines for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements.</li> <li>ii. The assessment team recommends the CBS to work together with the FIU and the Anti Money Laundering Commission in drafting guidelines for financial institutions (and DNFBPs) that give a description of money laundering and terrorist financing techniques and methods.</li> </ol>	<p>According to art. 4 sub 2 of the draft MOT Act, the MOT will be able to provide feedback to DNFBP's in order to assist in applying national AML/CFT measures and in detecting and reporting suspicious transactions. Based on art. 4 sub 3 of the draft act, MOT is authorized to issue guidelines regarding the reporting of UTR's.</p> <p>Based on art. 5 sub 3 of the draft act, MOT can request the service provider to supply detailed information within a certain period of time.</p> <p>Based on art. 6 and 8 of the draft act, MOT is required to provide information once requested by investigating and prosecuting agencies. Such requests should be channeled through the AG.</p> <p>Based on art. 22 sub 2 of the draft act, MOT is authorized to issue AML/CFT guidelines for the DNFBP's.</p> <p>Based on art. 4 sub 2, of the draft act, MOT will provide financial institutions, DNFBP's, prosecutors, investigators and the general</p>

				<p>public with typologies and methodologies in order to prevent and combat ML/CFT.</p> <p>This draft legislation has been presented to the State Advisory Council.</p>
Institutional and other measures				
26. The FIU	PC	<ul style="list-style-type: none"> <li>• Overall problem of effectiveness</li> <li>• Insufficient use of the analytical and enquiry powers</li> <li>• Insufficient protection of the information and staff security</li> <li>• The FIU remit does not cover TF related disclosures</li> </ul>	<ol style="list-style-type: none"> <li>i. That the missing implementing legal instruments be drafted without further delay, so to consolidate the legal framework of the organisation and functioning of the FIU;</li> <li>ii. To substantially increase the human and financial resourcing of the FIU;</li> <li>iii. To move MOT to a location that ensures a secure conservation and management of the sensitive information and the safety of the staff;</li> <li>iv. To improve the IT security measures to protect the sensitive and</li> </ol>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts, and 2 lawyers.</p> <p>FIU has applied for an own budget for 2011.</p> <p>Moving the FIU to another location is still pending.</p>

			<p>confidential information;</p> <p>v. That the sensitisation and education of all reporting entities should be substantially enhanced by awareness raising sessions and typology feedback, aimed at an increased perception of suspicious activity to be reported;</p> <p>vi. To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity;</p> <p>vii. To increase the quality of the analytical process by systematically querying all accessible sources, particularly the law enforcement and administrative data (including tax information);</p>	<p>A local Area Network at the FIU premises operational.</p> <p>FIU already started with awareness raising sessions for some DNFDP's, and will continue throughout 2011.</p>
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			<p>viii. To fully exploit all possibilities of information collection, particularly by having the supervisory and State authorities report as provided by the Law;</p> <p>ix. Finally, to intensify the efforts for the analysts to acquire better knowledge and insight in money laundering techniques and schemes.</p>	<p>Ongoing training of FIU staff. November 2009 orientation visit to the FIU in Belgium, march 2010 visit to FIU N.A. November 2009 Tactical Analysis Course for FIU personnel (by Egmont instructor mr. Dambruck)</p> <p><b>I</b> By Ministerial decree of the Minister of Justice and Police, the organization chart of the Ministry of Justice and Police has been changed as of May 2011, and the MOT has been identified as an agency to perform its duties as an authority.</p> <p><b>II</b> FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The budget for MOT has been incorporated in the budget of the Ministry of Justice and Police for the fiscal year 2012.</p> <p><b>III</b> Since September 2011 the FIU is located in a new building situated in the business area of Paramaribo.</p>
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				<p>The office space 170 m2 with a 24/7 electronic security system.</p> <p>IV</p> <p>Since October 2009 a server is in use by the FIU to store information. Back ups are made once a week.</p> <p>V</p> <p>The FIU is continuing its awareness raising sessions with financial institutions and DNFBP's</p>
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				<p><b>VII</b></p> <p>According to art. 7 of the MOT Act, the MOT on case to case basis, requests information from law enforcement and governmental agencies, to be used in the analytical process.</p>
27. Law enforcement authorities	PC	<ul style="list-style-type: none"> <li>• No designated financial investigation team until recently – effectiveness untested</li> <li>• Loss of effectiveness by <ul style="list-style-type: none"> <li>- insufficient focus on the financial aspects of serious criminality</li> <li>- unsatisfactory exploitation of FIU reports</li> </ul> </li> <li>a. non-observance of the legal obligation to spontaneously informing MOT of ML relevant information</li> </ul>	<p>The performance of the AML/CFT effort should be enhanced by:</p> <ul style="list-style-type: none"> <li>i. A better interaction between the FIU and the police</li> <li>ii. A more efficient use of the information supplied by the FIU</li> <li>iii. A reinforced focus on the financial aspects when investigating (proceeds generating) offences</li> </ul>	<p>Interaction between Police (FOT) and FIU has been improved.</p> <p>By instruction of the Head Commissioner of Police, a new financial investigative team (FOT) was established on April 29, 2009. This team consists of 7 investigators who received special training in investigative techniques related to ML. These training courses were held in Curacao in 2009 and 2010. In 2010 the investigators participated in a DEA training course. In March 2012 financial investigators participated in a training course hosted by CIFAD in Paramaribo. In April 2012 two members of the FOT team will attend a financial investigating training seminar in France.</p>
28. Powers of competent authorities	C	This Recommendation has been fully observed		

29. Supervisors	NC	<ul style="list-style-type: none"> <li>The CBS should have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.</li> <li>The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>The CBS should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements.</li> </ul>	<ol style="list-style-type: none"> <li>The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance.</li> <li>The supervisor should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements</li> </ol>	<p>According to Article 29 of the Banking and Credit System Supervision Act CBS is authorized to conduct (on-site) inspections to ensure compliance with AML/CTF regulations for all supervised banks. Similar legislation has been drafted to address the aspect of inspection by CBS of MTOs and MEOs.</p> <p>According to Article 17 and Article 55 of the Banking and Credit System Supervision Act, CBS has the authority to enforce the AML/CTF regulations and impose sanctions.</p> <p>In the draft legislation amending the MOT Act a new article 22 has been added appointing the CBS as AML supervisor of the financial sector. Under the draft legislation adequate powers of enforcement and sanction for failure to comply with AML/ CFT requirements is given to CBS.</p>
30. Resources, integrity and training	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>Serious capacity problem by lack of adequate financial and human resources</li> <li>Analyst training rather basic</li> </ul> <p><u>PP:</u></p> <ul style="list-style-type: none"> <li>Low number of PP magistrates</li> </ul>	<ol style="list-style-type: none"> <li>To substantially increase the human and financial resourcing of the FIU;</li> <li>The CBS should consider creating a team of examiners specialising in AML/CFT measures that check financial institutions compliance with</li> </ol>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts, and 2 lawyers. FIU has applied for an own budget for 2011.</p> <p>Recently CBS Supervision Department has hired two personnel (legal &amp; financial expert). The Bank is also looking into</p>

		<p>disproportionate to workload</p> <p><u>SUPERVISORS (CBS):</u></p> <ul style="list-style-type: none"> <li>• Insufficient staffing for (future) AML/CFT supervision on all FI</li> <li>• No adequate training on AML/CFT issues</li> </ul>	<p>AML/CFT on an ongoing basis for all supervised entities.</p>	<p>hiring a compliance professional.</p> <ol style="list-style-type: none"> <li>1. A compliance training for all personnel of the CBS and the commercial banks (Augustus 2009).</li> <li>2. Two legal officials have been trained in AML issues in Jamaica. The training was organized by the Association of Supervisors of Banks of Americas (ASBA), the Office of Comptroller of Currency (OCC) and the Caribbean Group of Banking Supervisors (CGBS) June 2009.</li> </ol> <p>FIU personnel have been increased from 4 to 12, including 4 analysts, and 2 lawyers.</p> <p>Budget for the FIU has been incorporated in the budget for the Ministry of Justice and Police for 2012.</p> <p>PP</p> <p>Within the office of the Attorney general, a senior prosecutor was appointed in order to instruct and guide FOT/KPS in the investigation of ML/TF cases. In 2013, 9 persons will complete their 5 years period in order to become a junior prosecutor. They also receive training to investigate</p>
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				<p>and prosecute ML/TF cases.</p> <p>Three of these trainees will start mid 2012 as assistant prosecutors.</p> <p>Central Bank Due to limited availability of suitable examiners the CBS has not established a specialized group of examiners at this time. The existing team will be expanded to perform the supervision duties under the expanded scope of the new legislation. The examiners will be trained in several aspects of offsite surveillance and onsite examinations including AML/CFT review of credit institutions</p> <p>In art. 22 sub 1c of the draft MOT act, MOT is appointed as the supervisory authority of the DNFBP's. Within the MOT a supervisory unit will be established and training will be given to the supervisors. In May 2012 arrangements will be made with MOT Curacao in order to assist with training and guidance.</p>
31. National co-operation	LC	<ul style="list-style-type: none"> <li>The legal mandate of the existing monitoring and advisory body does not extend to cooperation and</li> </ul>	<ul style="list-style-type: none"> <li>Although the legal mandate of the AML Commission does not include the coordination and cooperation</li> </ul>	

		coordination	between the different competent authorities, in practice it already goes some way in that direction. It could be an option to give this body a more permanent and structural character, with extension of its mandate to expressly include coordination of the AML/CFT effort and streamlining the cooperation between the relevant actors, but this matter is obviously the sovereign decision of the government. The relatively small size of the Suriname society is already a facilitating factor for an efficient communication and cooperative relation between the relevant actors.	
32. Statistics	NC	<p>Lack of comprehensive and reliable (annual) statistics on the number of ML investigations.</p> <p>No policy of keeping comprehensive statistics at the Public Prosecutor's level</p> <p>Lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</p> <p>MLA: no statistical information on the nature of the requests, on the number</p>	<p>Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p> <p>i. The CBS should be given additional resources to be allocated for AML/CFT supervision and maintain statistics of the number of on-site inspections conducted and sanctions applied.</p> <p>ii. The competent authorities do not keep annual statistics on the number of cases</p>	<p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p> <p><b>In general, ii &amp; iv</b></p> <p><b>A SIP meeting was held on February 23 2012, with members of the identified stakeholders from Customs, Immigration, Police, FIU, the Prosecutor's office, Justice and Police, Parliament, CBS, Foreign Affairs and the Gaming Board.</b></p>

		<p>and reasons of refusal, nor on the time required to respond</p> <p>Extradition: no information on the underlying offence and response time</p> <p>Supervisor: no statistics on request for assistance</p>	<p>and the amount of property seized and confiscated relating to ML, FT and criminal proceeds. No comprehensive statistics are maintained on the number of cases and the amounts of property seized and confiscated relating to underlying predicate offences.</p> <p>iii. The CBS should keep statistics on formal requests for assistance made or received by law enforcement authorities relating to money laundering or financing terrorism, including whether the request was granted or refused.</p> <p>iv. The authorities should endeavour to maintain more detailed statistics allowing them to assess and monitor the performance of the MLA regime.</p>	<p>The stakeholders committed their self to function as a response forum with monitoring and feedback function. By networking with the AML commission the aspect of keeping comprehensive statistics will be addressed.</p> <p>CBS, MOT and FOT will develop a template regarding the areas for statistical information and the procedures in order to deliver and to process data.</p> <p>I &amp; iii</p> <p>The Central Bank will keep statistics of onsite inspections conducted and deficiencies found during the inspections. They will also keep track of sanctions applied. The Bank will also keep record of formal request by law enforcement authorities and the decisions on such request.</p>
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> <li>• There are no measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing;</li> <li>• There is no adequate transparency concerning the beneficial ownership and control of legal persons;</li> </ul>	<p>Suriname should take measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing. There should be adequate transparency concerning the beneficial ownership and control of legal persons.</p> <p>The first time a foundation, public limited</p>	<p>According to art. 3a of the draft MOT Act, provisions are established regarding a transparent system of identification of local and foreign legal persons. Special provisions have been made in art. 3a sub 4 for the identification of religious organization.</p> <p>According to art. 6 jo. Art. 4 of the draft</p>

		<ul style="list-style-type: none"> <li>The information at the registries can not be trusted. They are not kept up to date.</li> </ul>	<p>company, co-operative society / association or association is registered, the information about the directors is at hand and (most of the time) accurate. However there is no information regarding the (ultimate) beneficial owner and changes in directors or beneficial owners are not communicated with the registrars. Measures should be taken to ensure that the information with the different registrars is accurate and kept up to date.</p> <p>Measures will have to be taken to prevent the misuse of bearer shares for ML.</p>	<p>MOT Act, special attention is required for business relationships and transactions regarding the identification of beneficial owners and control of legal persons.</p> <p>Based on art. 22 of the Bank and Credit System Supervision Act it is prohibited to use bearer shares in credit institutions. Furthermore all shareholdings of 5% or more are subject to permission from the CBS.</p>
34. Legal arrangements – beneficial owners	N/A	<ul style="list-style-type: none"> <li>Suriname does not have trusts or other legal arrangements.</li> </ul>		
International Co-operation				
35. Conventions	PC	<ul style="list-style-type: none"> <li>No signing, ratification and implementation of the TF Convention; no full and effective implementation of the relevant provisions of the Vienna and Palermo Convention</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</li> <li>Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</li> </ol>	<p>I</p> <p>Several core principles of the Vienna Convention and the Palermo convention have already been incorporated in domestic law.</p> <p>The CFT legislation (O.G. 2011 no. 96) was drafted in accordance with the recommendations of the UN/CFT Convention.</p>

			<p>iii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p>ART. I A sub 8, of the CFT legislation explicitly refer to the UN convention.</p> <p>III</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96)</p> <p>implementing UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>
36. Mutual legal assistance (MLA)	C	This Recommendation has been fully observed.		
37. Dual criminality	PC	<ul style="list-style-type: none"> <li>Restrictive and formalistic interpretation of the dual criminality principle impeding cooperation on the basis of mutually criminalised conduct, also affecting the effectiveness of the MLA system</li> <li>Formalistic and restrictive interpretation of the dual criminality rule impeding extradition based on mutually criminalised conduct</li> <li>Effectiveness cannot be assessed on the</li> </ul>	<p>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting from the dual criminality principle.</p> <p>ii. The narrow and legalistic</p>	<p>In the Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) in general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). This also includes acts in preparation of activities related to terrorism.</p> <p>According to the National Risk Assessment, insider trading and market manipulation are no serious trends. Legislation should be</p>

		basis of the available information	interpretation of the dual criminality principle should be put to the test and efforts should be made to try and create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.	drafted to criminalize insider trading and market manipulation. Assistance from CFATF and member countries will be requested.
38. MLA on confiscation and freezing	PC	<ul style="list-style-type: none"> <li>Seizure and confiscation possibilities negatively affected in the MLA context by the non-criminalisation of all designated predicate offences and TF.</li> <li>No formal legal basis for enforcement of foreign confiscation orders.</li> </ul>	<p>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting from the dual criminality principle.</p> <p>ii. The narrow and legalistic interpretation of the dual criminality principle should be put to the test and efforts should be made to try and</p>	<p>According to art. 71a of O.G. 2011 no. 96, seizure and confiscation of goods and values, related to all designated predicate offences, including TF, has been made possible.</p> <p>Provisional and confiscation measures also related to TF are addressed, respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.</p>

			create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.	
39. Extradition	LC	<ul style="list-style-type: none"> <li>Extradition grounded on certain designated predicate activity is subject to challenge</li> </ul>	<ol style="list-style-type: none"> <li>The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.</li> </ol>	<p>Money laundering and terrorist financing are extraditable offences. Nationals who committed ML/TF crimes abroad cannot be extradited. Based on article 466a of the Criminal Proceeding Code, the AG can request the competent judicial authorities of the foreign country to transfer the ML/TF cases for the purpose of prosecution.</p>
40. Other forms of co-operation	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>Excessive treaty condition</li> <li>No legal basis for collecting information at the request of a counterpart</li> <li>Deficient protection of the exchanged information, both formally and physically</li> </ul> <p><u>Supervisor</u></p>	<p><u>FIU</u></p> <ol style="list-style-type: none"> <li>In order for MOT Suriname to legally and fully become a player in the international FIU forum and to comply with the present standards, it is recommended that:</li> <li>The treaty condition should be discarded and replaced by the generally accepted rule of information exchange with its counterparts, based on</li> </ol>	<p>Article 9 of the MOT act will be revised in order to make sharing of information possible, both, locally and internationally.</p> <p><b>I</b>  <b>Legislation has been drafted to amend art. 9</b></p>

		<ul style="list-style-type: none"> <li>No legal basis for mutual assistance and information exchange with counterparts</li> </ul>	<p>reciprocity and the Egmont Principles of Information exchange. Ideally such exchange should be allowed on an ad hoc basis or, if deemed necessary, on the basis of a bilateral agreement between FIUs;</p> <p>iii. The Law should expressly allow MOT to collect information outside its register at the request of a counterpart FIU. One simple and adequate way to realise this is to put such foreign request legally at par with a disclosure, which would automatically bring them under the regime of art. 5 and 7 of the MOT Act;</p> <p>iv. The confidentiality status of the exchanged information should be expressly provided for to protect it from undue access or dissemination;</p> <p>v. The (physical) protection of the MOT data-base and its offices be upgraded;</p> <p>vi. The processing of TF related disclosures should be brought within the assignment of the FIU as soon as possible, which would also increase the chance of MOT acceding to the Egmont Group and its ESW.</p> <p><u>Supervisor</u></p> <p>vii. A legal basis should be provided for</p>	<p>of the MOT Act, regarding the sharing of information, both, locally and internationally</p> <p>II Legislation has been drafted to amend art. 9 sub 2 of the MOT act, in order to maintain a line of communication with foreign FIU's, based on a MOU in order to share data.</p> <p>III Conditions regarding the confidentiality status of the exchanged information will be included in the MOU.</p> <p>IV The FIU is now located in a new building with an office space of 170 square meters, with a 24/7 electronic security system in the</p>
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			<p>information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.</p>	<p>business area in the capital of Paramaribo. Additional IT security measures had been implemented to protect sensitive and confidential data.</p> <p>V In art. III sub C and D of the CFT legislation (O.G. 2011 no. 96), UTR's should be filed ones a transaction is, or can be related to TF.</p> <p>VI The Banking and Credit System Supervision Act (O.G. 2011 no. 155), which entered into force on November 23rd 2011 creates a legal basis for information exchange between CBS and counterpart supervisors based on a MOU.</p>
Nine Special Recommendations	Rating	Summary of factors underlying rating		
SR.I Implement UN instruments	NC	<ul style="list-style-type: none"> <li>No signing, ratification and implementation of the TF Convention; no effective implementation of the UN Res. 1267 and 1373</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</li> <li>Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</li> </ol>	<p>Several core principles of the Vienna Convention and the Palermo Convention have been incorporated in domestic law.</p>

			<p>iii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p><b>III</b></p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96)</p> <p>to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>
SR.II Criminalise terrorist financing	NC	<ul style="list-style-type: none"> <li>• There is no legislation criminalizing FT;</li> <li>• Consequently, there are no TF related investigations, prosecutions and convictions.</li> </ul>	<p>i. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for</p>	<p>The CFT legislation (O.G. 2011 no. 96) also amendments were made regarding the Fire arms act and the act regarding suspicious transactions. In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism.</p>

			the act of FT	<p>The (2nd) SIP meeting was held on February 23 2012, with members of the stakeholders from Customs, Immigration, Police, FIU, the Prosecutor's office, Justice and Police, Parliament, CBS, Foreign Affairs and the Gaming Board.</p> <p>The stakeholders committed their self to function as a response forum with remote and feedback function. By networking with the AML commission the aspect of keeping comprehensive statistics will be addressed.</p>
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> <li>No system in place complying with the relevant UN Resolutions and providing for an adequate freezing regime</li> </ul>	<p>i. None of the criteria of Special Recommendation III are met by Suriname. Many of the people interviewed did not even know of the existence of UN Security Council Resolutions 1267 (1999) and 1373 (2001) and there implications, nor did they have any information regarding the Best Practice Paper.</p> <p>ii. The Suriname authorities should endeavour to introduce the appropriate legislative measures effectively implementing the relevant UN Resolutions and establishing an adequate freezing regime in respect of assets</p>	<p><b>I</b> The CFT legislation (OG 2011 no. 96) in art. I and II, makes confiscation of assets related to the financing of terrorism, possible.</p> <p><b>II</b> Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>

SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>There are no direct requirements for financial institutions to report to the FIU when they suspect or have reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organisations, regardless of the amount of the transaction and including attempted transactions.</li> </ul>	<p>suspected to be terrorism related.</p> <ol style="list-style-type: none"> <li>The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</li> <li>The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism.</li> <li>The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions”</li> <li>The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</li> <li>The authorities should consider whether the obligation to report unusual transactions “without delay”</li> </ol>	<p><b>II</b> Requirements for Financial institutions to report UTR’s to the FIU on grounds based on TF are the same as for ML as stated in art III of the CFT legislation (OG 2011 no. 96).</p> <p><b>III</b> In article I sub C of the CFT legislation amending the Penal Code and the MOT act (O.G. 2011no. 96), an attempt and preparation act of ML / TF has been penalized.</p> <p><b>IV</b> Legislation has been drafted to amend art. 12 of the MOT Act, with the obligation for disclosers containing information as prescribed by article 12.2.</p>
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			<p>is sustainable.</p> <p>vi. The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance.</p> <p>vii. The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>VI</p> <p>Legislation has been drafted to amend the MOT Act, adding a new art 22, sub 1c, giving the MOT the authority to supervise the DNFBP's, and apply sanctions in case of none compliance as mentioned in art. 22 sub 3.</p>
SR.V International co-operation	NC	<ul style="list-style-type: none"> <li>• No legal basis for TF related MLA in the absence of TF criminalisation</li> <li>• No legal basis for TF related extradition requests in the absence of TF criminalisation</li> <li>• FIU and law enforcement: no legal framework for TF related information exchange and other forms of (non-legal) mutual assistance</li> <li>• Supervisor: No legal basis for mutual</li> </ul>	<p>i. The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.</p>	<p>Mutual legal assistance can be requested or provided in all criminal cases, including ML/TF, as stipulated in art. 466a (ART I B, O.G. 2002 no. 71)</p>

		assistance and information exchange with counterparts		
SR VI AML requirements for money/value transfer services	NC	<ul style="list-style-type: none"> <li>None of the requirements are included in legislation, regulations or other enforceable means.</li> </ul>	<ol style="list-style-type: none"> <li>i. A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements.</li> <li>ii. A system for monitoring MTCs ensuring that they comply with the FATF Recommendations should be implemented. The mission also recommends that the CBS issues the AML/CFT Guidelines to MTCs that indicate circumstances in which a transaction might be considered as “unusual”.</li> <li>iii. MTCs should be required to maintain a current list of its agents and sub-agents, which must be made available to the CBS and the Foreign Exchange Commission.</li> <li>iv. The measures set out in the Best Practices Paper for SR.VI should be implemented and Suriname authorities should take FATF R. 17 into account when introducing system for monitoring money transfer companies.</li> </ol>	<p>I &amp; ii CBS is drafting an Act on the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs). Under the new legislation the CBS will be the sole licensing authority for MTOs and MEOs and will be authorized to issue AML/CFT guidelines.</p> <p>ii Based on art. I sub A (13) of the draft MOT Act, unusual transactions are those listed in the State decree MOT indicators.</p> <p>iv The CBS has already drafted AML/CFT regulations in which implementation of the Best Practices Paper for SR. VI by Financial institutions is required.</p>

SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> <li>Suriname has not implemented any requirement regarding obtaining and maintaining information with wire transfers.</li> </ul>	<p>i. Suriname should issue a law or regulation to implement the requirements of Special Recommendation VII.</p>	<p>The CBS has already drafted AML/CTF regulations in line with the recommendations of the MER, with regard to CDD measures for wire transfers. These include the requirement for accurate and meaningful originator information on funds transfer and enhanced scrutiny of and monitoring for suspicious activity funds transfers which do not contain complete originator information.</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> <li>Complete absence of an adequate legislative and regulatory system for the prevention of misuse of the non-profit sector by terrorists or for terrorism purposes</li> </ul>	<p>i. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</p> <p>ii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p>i The accession procedure to the CFT Convention has been initiated.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373.</p> <p>ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist activities.</p> <p>ii The CBS AML/CFT draft regulations based on the Bank Act of 1956 (O.G. 2010 no. 173), will also address the implementation of</p>

SR.IX Cross Border Declaration & Disclosure	NC	<ul style="list-style-type: none"> <li>No declaration/disclosure system in place regarding the cross-border transportation of currency in the AML/CFT context</li> </ul>	<ul style="list-style-type: none"> <li>i. The Suriname authorities should decide on the choice between a disclosure or a declaration system for cross-border transportation of currency or bearer negotiable instruments and put in place such system aimed at discovering criminal or terrorist related assets without delay.</li> </ul>	<p>UN resolution 1267 and 1373.</p> <p>The Ministry of Foreign Affairs, in collaboration with all stakeholders, planned to introduce in July 2012 a border management system (BMS) in order to register incoming and outgoing passengers.</p> <p>This system will also address threats in the area of terrorism, illegal trade, drugs trafficking and illegal trafficking of immigrants.</p>
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